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# **China Report**

**ECONOMIC AFFAIRS**

**No. 396**



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3 November 1983

CHINA REPORT  
ECONOMIC AFFAIRS

No. 396

## CONTENTS

## PEOPLE'S REPUBLIC OF CHINA

## NATIONAL POLICY AND ISSUES

GUANGMING RIBAO on Sun Yefang's Economic Theory (Mao Tianqi; GUANGMING RIBAO, 2 Oct 83).....	1
Li Xiannian Speech at Trade Union Congress (Li Xiannian Speech; XINHUA, 18 Oct 83).....	7
Trade Unionists Welcome Leaders at Congress (XINHUA, 18 Oct 83).....	11
Water Economy Conference Told of Urban Conservation (Gu Honghong; XINHUA, 9 Oct 83).....	13
Xue Muqiao on Law of Value, Planned Economy (SHIJIE JINGJI DAOBAO, 26 Sep 83).....	14
Briefs	
Economic Problems of Key Cities	16

## ECONOMIC PLANNING

XINJIANG RIBAO on Running Enterprises Well (Editorial; Xinjiang Regional Service, 11 Oct 83)...	17
XINJIANG RIBAO on Preparations for Development (Editorial; Xinjiang Regional Service, 7 Oct 83)....	18

RENMIN RIBAO Devotes Special Section to Xinjiang (XINHUA, 14 Oct 83).....	19
Gansu Meeting Analyzes Economic Situation (Gansu Provincial Service, 20 Oct 83).....	21
<b>Briefs</b>	
Gansu Urban Construction Meeting	22
<b>AGGREGATE ECONOMIC DATA</b>	
Heilongjiang Scores Achievements in Industry (Heilongjiang Provincial Service, 12 Oct 83).....	23
Nei Monggol Improves People's Living Standard (Nei Monggol Regional Service, 12 Oct 83).....	25
Demand for Appliances Outstrips Production (XINHUA, 20 Oct 83).....	27
PRC Chemical Industry Production Increases (JINGJI RIBAO, 29 Sep 83).....	28
<b>Briefs</b>	
Guangdong Third Quarter Industry	29
Henan Plastics Industry	29
Shaanxi Enterprises Reduce Deficits	29
Liaoning Country Industrial Production	29
Shaanxi September Industrial Output	30
Guangxi Machine-Building Industry	30
Heilongjiang Light Industrial Output	30
Xinjiang Industrial Production	30
Tianjin Tax Evasion	30
Shanxi Industry Output	31
Heilongjiang Enterprise Profits, Deficits	31
Jilin Financial Situation	31
Jilin Enterprise Profits	31
Heilongjiang Light Industry	31
Guizhou Industrial Production	32
<b>ECONOMIC MANAGEMENT</b>	
Jiangsu Vice Governor on Improving Economic Results (XINHUA RIBAO, 15 Oct 83).....	33
Guangxi Rally Commends Economic Progressives (Guangxi Regional Service, 11 Oct 83).....	35
Guizhou Calls for Changing Losses Into Profits (Guizhou Provincial Service, 11 Oct 83).....	37

Measures Toward Enterprises Suffering Losses  
(Hunan Provincial Service, 11 Oct 83)..... 39

Shandong Conducts Economic Discipline Inspection  
(Shandong Provincial Service, 12 Oct 83)..... 41

Circular on Stopping Deficit, Loans Issued  
(Shandong Provincial Service, 16 Oct 83)..... 42

Xinjiang Holds Production Management Meeting  
(Xinjiang Regional Service, 13 Oct 83)..... 44

Briefs

Guangdong Enterprises Pay Taxes	46
Xizang Public Funds Circular	46
Product Standardization Pushed	46
Jilin Deficit Control Achievements	47
Henan Economic Investigation Groups	47
Shandong Deficit-Control Achievements	47
Gansu Enterprises Reduce Deficits	47

FINANCE AND BANKING

LIAONING RIBAO Article on Tax Revenue  
(LIAONING RIBAO, 22 Sep 83)..... 48

Briefs

Jilin City Tax Revenue	50
Heilongjiang Tax Collection	50

INDUSTRY

RENMIN RIBAO on Technical Transformation Plans  
(Liu Jington, Zheng Xinli; RENMIN RIBAO, 30 Sep 83).. 51

Xinjiang Holds Meeting on Industrial Problems  
(Xinjiang Regional Service, 10 Oct 83)..... 58

Nei Monggol Industrial Enterprises Overfulfill Profit Plan  
(Nei Monggol Regional Service, 20 Oct 83)..... 59

Briefs

Northwest Iron, Steel Conference	60
Shaanxi Petrochemical Production	60
Shenzhen Builds More Factories	60

CONSTRUCTION

Briefs

Zhejiang Cargo Wharves	61
Heilongjiang New Airport	61

Heilongjiang Highway Bridge Construction	61
Shenzhen Helicopter Landing Pad	61
Yunnan Capital Construction Control	62
<b>FOREIGN TRADE</b>	
<b>Briefs</b>	
Guangdong Company in Hong Kong	63
<b>LABOR AND WAGES</b>	
Grass Roots Trade Union in Tianjin Examined (XINHUA, 24 Oct 83).....	64
More Workers Utilize Trade Union-Run Rest Homes (XINHUA, 13 Oct 83).....	67
<b>Briefs</b>	
Trade Unions Flourish	68
<b>TRANSPORTATION</b>	
<b>Briefs</b>	
Sichuan Airport Expansion	69
Tianjin Highway Construction	69
Guizhou Railroad Electrification Group	69
Guangzhou Railway Bureau Profit	69
Nei Monggol Highway Bridge	70
<b>GENERAL</b>	
Beijing Develops Domestic Insurance Coverage (XINHUA, 12 Oct 83).....	71
<b>HONG KONG ECONOMIC TRENDS</b>	
Latest 1997 Talks Fail To 'Ignite' Stock Market (SOUTH CHINA MORNING POST, 21 Oct 83).....	72

## NATIONAL POLICY AND ISSUES

### GUANGMING RIBAO ON SUN YEFANG'S ECONOMIC THEORY

HK190511 Beijing GUANGMING RIBAO in Chinese 2 Oct 83 p 3

[Article by Mao Tianqi [0379 1131 0796]: "Seeking Truth From Facts, Being Bold in Blazing New Trails--Commenting on Seminar to Discuss Sun Yefang's Economic Theories"]

[Text] From 16 to 23 September 1983, the Economics Institute under the Academy of Social Sciences of China and the editorial department of JINGJI YANJIU held a seminar to discuss Sun Yefang's economic theories in Wuxi City--the hometown of Sun Yefang and the place in which he took part in revolutionary activities in his young days. Present at the seminar were 211 persons--theoretical workers in economics and leaders of practical departments and enterprises from 28 provinces, municipalities, and autonomous regions. On the basis of the principle of seeking truth from facts and in the spirit of the policy of letting a hundred schools of thought contend, all present at the seminar seriously discussed and commented on Sun Yefang's economic theories.

#### I.

For more than half a century, in the field of economics, Sun Yefang strove to combine basic principles of Marxism with the practical conditions of China, persisted in making thorough studies and being bold in blazing new trails concerning the important theoretical and practical problems in China's revolution and construction, and made outstanding contributions in many respects such as criticizing the theory of natural economy and the theory that the will dominates everything, searching for a new system for the socialist portion of political economics, and promoting the reform of our economic system. After intensive discussion and comments, those present at the seminar pointed out that in the new period in which the whole party and the people of the country are striving to fulfill the strategic target for economic development by the end of this century put forward by the 12th CPC National Congress, people in the field of economics should widely publicize Sun Yefang's correct viewpoints in economics which have been proved correct in practice, and should make use of these viewpoints in the construction of socialist modernization as soon as possible.

## 1. The Viewpoint That the Highest Criterion in Socialist Economic Construction Is to Obtain the Greatest Useful Results With the Smallest Labor Consumption

As early as more than 20 years ago, Sun Yefang had already pointed out sharply that in our economic construction, "the greatest problem is considering expenses only without regard to results, or considering results only without regard to expenses." And the source of the theory that gave rise to this problem was the then prevalent socialist economic theory which did not recognize abstract labor or requisite labor of society, with the result that "taking no account of costs and taking no account of profit or loss" was regarded as "the daring style that people engaged in socialist construction should possess." Sun Yefang persisted in publicizing his viewpoint that the secret of all economic problems lies in how to gain the greatest useful results with the smallest labor consumption. Practice has proved that this viewpoint of Sun Yefang, "the greatest and the smallest," is entirely correct. At present, our party has explicitly designated the enhancement of economic results as the fundamental guiding policy in our socialist economic construction.

People present at the seminar held that in order to publicize the theory of "the greatest and the smallest" put forward by Sun Yefang, the science of economics itself must be strengthened, and the evil influence of the theory of natural economy in the socialist portion of political economics must be eradicated. Sun Yefang pointed out time and again that in order to promote emphasis on economic results, we must start from publicizing some basic concepts of political economics such as the double nature of labor and the double nature of products, and must negate and repudiate the theory of natural economy. In the course of repudiating the theory of natural economy, economics circles have the obligation, just as Sun Yefang did, to apply "the greatest and the smallest" to our practical work.

People present at the seminar pointed out that in order to make use of "the greatest and the smallest" theory of Sun Yefang, the existing planning system must be reformed, and importance must be attached to the function of the laws of value in our economic planning work. Sun Yefang said by way of criticism that "the planning system was originally initiated in the USSR, and it was established under the guidance of the ideology of natural economy." He appealed for a quick "change of the system of the target of the magnitude of material being administered by planning departments and the target of the magnitude of value being administered by financial and trade departments," and he pointed out that this existing system is not in conformity with economic results. Economics circles should continue to criticize theoretically the viewpoint of setting planned economy against the laws of value, and promote the reform of the planning system so that the new planning system can facilitate the enhancement of economic results.

## 2. The Viewpoint That the Key Issue in the Economic System Reform is the Correct Handling of the Relationship Between Centralized Leadership of the State and Independent Operation of Enterprises

As early as more than 20 years ago, Sun Yefang pointed out: "The central issue in the management system of our national economy is the issue of the power and

responsibilities of the enterprises as independent accounting units and of their relationship with the state." At the same time, according to the Marxist theory of reproduction, he put forward concise quantitative limits of economy for the correct handling of the relationship between the state and the enterprises. That is, simple reproduction and expanded reproduction are differentiated on the basis of the magnitude of capital value: What comes under the category of the original magnitude of capital value is simple reproduction, which belongs to the "minor power" of the enterprises, and additional investment is expanded reproduction, which belongs to the "major power" of the state. Although this theory of Sun Yefang's, which sets the "guideline" for dividing the power and responsibilities between the state and the enterprises, is not very concrete, it presents quite clearly his view that, on the one hand, the enterprises under the socialist system of ownership by the whole people are production units of independent accounting, and, on the other hand, it is emphasized that the socialist economic construction cannot do without the necessary centralized leadership that ensures the construction of key projects. This theory opposes the bureaucratic economy with overcentralized power and, at the same time, it also criticizes the overscattered, anarchical state of affairs. Therefore, it has an important significance both in theory and in practice concerning the current reform in the economic system now in progress.

People present at the seminar pointed out that in Sun Yefang's theory on division of power and responsibilities between the state and the enterprises, the proposition having the most realistic significance is his emphasis on strengthening technological transformation of the existing enterprises and on reforming the fixed assets management system featuring "reproduction of curios" and "freeze of technical progress." Sun Yefang maintained that for the past 30-odd years, a major lesson in our economic construction has been placing our hopes of economic growth on the establishment of new enterprises, with the result that very great efforts were exerted on developing new undertakings and building new items, causing capital construction to grow too drastically. This is a malady common to China and some other socialist countries. If we want to develop our economy, we must make the utmost effort to develop our hundreds of thousands of old enterprises. But the old fixed assets management system hindered the old enterprises from displaying their initiative. He said critically that the old fixed assets management system practiced the utilization of fixed assets without compensation, thus encouraging competition for more investment; it did not recognize invisible wear and the time of depreciation was long; under this system the state conducted centralized management of the depreciation funds, which were often used to pay for new undertakings, thus "freezing" the technical transformation of old enterprises and forcing some people to carry out "reproduction of curios." Sun Yefang pointed out that once this stereotyped system is changed and the technical transformation of the existing hundreds of thousands of old enterprises is well conducted in a planned and properly arranged manner, the speed of the development of production is certain to grow faster. These arguments of his have been affirmed by the State Council. The state has made it an important policy in our future economic construction to conduct technical transformation of our existing enterprises in a planned and properly arranged manner. The economics circles have the responsibility of publicizing Sun Yefang's theory in a matter-of-fact way and diagnosing and curing this persistent ailment of "the illness of hunger for investment," which is essential for the enhancement of economic results.

### 3. The Viewpoint That the Profit Rate of Capital is the Comprehensive Target of Assessing the Operation and Management Results of Enterprises

Sun Yefang's theoretical viewpoints and reform propositions regarding the problems of profit are, for the most part, basically correct. His viewpoint that the target of profit is the "muzzle of an ox" explicitly signifies the importance of the target of profit in assessing the operation and management of enterprises. The socialist profit is part of the material wealth created by the staff and workers of the material production departments for the social expanded reproduction and for the public needs of the society. Under the condition that the price is constant, lowering costs and increasing profit amount to the same thing. Under the condition that selling prices are reasonable, and via the path of enhancing technology, improving operation and management and lowering costs, the more profit an enterprise gains, the more material wealth the enterprise provides to the society.

People present at the [word indistinct] pointed out that it is very rational to use the profit rate of capital and the cost of production as a means of comparison in terms of economics and as a means of inspecting the utilization results of capital among various departments throughout the country. Sun Yefang maintained that even under the socialist system there also exists the process of equalization regarding the prices between departments (this is at work through conscious planned arrangement and not by means of free competition). If accounting and social economic comparison are to be conducted, this process of equalization is a requisite objective criterion. In accordance with the profit rate of capital, the more state capital an enterprise uses, the greater responsibility it should undertake to deliver profits to the state. At present, this has become an important content in conducting the reform in our economic system: to change gradually the system of using capital without compensation and to practice the system of using capital with compensation; to work out the prices for various kinds of products, taking the capital involved into account; and to encourage the enterprises to create more profits for the state, and make the operation results of enterprises associated with the economic benefits of the enterprises themselves. That is to say, the profit rate of capital has gradually become the tool of social economic comparison for various economic departments.

### 4. The Viewpoint That the Issue of Circulation Is the Key Issue in Organizing the Socialist Planned Economy

Starting from the inherent requirement of the socialized grand production, and utilizing the Marxist theory of the double nature of products and the double nature of labor, Sun Yefang criticized the "theory of noncirculation," and presented his argument concerning the objective certainty of the existence of the economic process of conducting value compensation and material replacement among enterprises within the structure of the system of ownership by the whole people. He pointed out that the "theory of noncirculation" regarded the economy under the system of ownership by the whole people as a large factory, mixed up the division of labor in society with the technical division of labor within an enterprise, replaced exchange of equal value by material "allocation" and "transfer" and used the method of administering a self-sufficient economy to manage

the socialist grand production, thus destroying the relationship of economic intercourse in the division of labor and coordination among enterprises. Sun Yefang's criticism of the "theory of noncirculation" was an important aspect in the fight against the theory of natural economy.

People present at the seminar pointed out that Sun Yefang regarded circulation as the basis for establishing the socialist planned management system, which raised people's understanding of circulation to a new height. The superiority of the socialist planned economy does not lie in the planning of production within the enterprises, but lies primarily in the planned management of value compensation and replacement of materials among hundreds of thousands of enterprises within the scope of society. He put forward a proposition that on the basis of contracts, the state economic plan and the production plans of enterprises can be formulated, using the method of starting from the lower level and moving on to the higher level and integrating both levels. Although there does not exist the economic condition to popularize this proposition at present, nevertheless, this proposition is really creative and original.

In addition, people present at the seminar praised highly Sun Yefang's endeavor in searching for a new system elucidating the socialist portion of political economics. Socialism is still in a stage of practice. Generally speaking, immature practice cannot give birth to mature theories. Although the "Theory of Socialist Economy" cannot be regarded as a perfect system, it still effects a revolutionary reform concerning the history of development of the socialist portion of political economics. Starting from the products manufactured under the system of ownership by the whole people, this theory analyzes the course of development of the socialist economy, using the concept of gaining the greatest useful results with the smallest labor consumption throughout, thereby exposing the inherent laws that govern the development of the socialist economy. This "method of process" is doubtlessly superior to the "method of compiling policies" and the "method of arranging laws" because it emancipates the socialist portion of political economics from the evil influence of the theory that the will dominates everything.

## II.

Sun Yefang's theory of value is the basis of his theory of the socialist economy. People present at the seminar conducted discussions and made comments, in a serious, conscientious, and matter-of-fact way, regarding Sun Yefang's theory of value. A few comrades held that there are inconsistencies in this theory. However, many comrades, on the basis of studying its contents intensively, pointed out that Sun Yefang's theory of value is very creative and scientific, and has a great significance with regard to our socialist practice, especially the reform of the economic system. The main differences in the discussions were: Are value and the laws of value categories peculiar to the commercial economy? Is the relationship between the cost of labor and the effect of labor a qualitative prescription of the concept of value? The comrades advocating Sun Yefang's theory of value pointed out that the category of value can be differentiated in a broad sense and in a narrow sense. On the basis of the system of private ownership, the value in a narrow sense means the value of exchange, which is peculiar to an economy of commodities; and on the basis

of the system of ownership by the whole people, the value in a broad sense means the value of products, which is in association with the socialized grand production and is detached from the economy of commodities, and distributes social labor rationally and in a planned way through comparison made between individual labor and social labor. Sun Yefang regarded value as a relationship between cost of labor and effect of labor, which gives prominence to an important principle in Marxist theory of labor value: results satisfying certain needs of the society are prerequisites in the formation of the value of products; and for any products, if they are useless to the society, the labor used in producing them is a waste of the labor time.

At the same time, people present at the seminar also made some necessary comments on the shortcomings of Sun Yefang's theory of value. Some comrades pointed out that the primary shortcoming in the theory lies in the fact that no distinction is made between the imperfect system of ownership by the whole people and the perfect system of ownership by the whole people. Under the perfect system of ownership by the whole people, because the inequality between individuals and collectives in terms of appropriation of the means of production is eliminated, people sustain no conflict of material interests among themselves, and, therefore, they can make conscious contribution to the society. By that time, although independent accounting will still be needed, its aim will only be the calculation of labor consumption so that social labor can be allocated in a planned way. Under this economic condition, the concept of value will really "return to its genuine sphere of activities." However, the system of ownership by the whole people at the present stage is still very imperfect, distribution according to work has to be prevalent, difference in economic interests still exists among people, individual labor cannot be in effect realized as social labor, the individual labor consumption of products is impossible to work out, and the laws of value are still applicable to commodities; therefore, it is inevitable that people's economic interests are regulated through the employment of the relationship of currency in terms of commodities. Sun Yefang used an abstract method, or "the method of stripping" as he termed it, to study the category of economics under the perfect system of ownership by the whole people, and he should have continued to use "the method of wearing" to study the realistic economics under the imperfect system of ownership by the whole people and should have paid due attention to the objective certainty of the value of exchange. Sun Yefang Failed to distinguish between two kinds of systems of ownership by the whole people, and therefore he was bound to neglect the sure existence of the economy of commodities under the imperfect system of ownership by the whole people. This is a blemish in an otherwise perfect theory.

It is also a fresh and creative mode to commemorate a deceased theorist of great contribution through commenting on his theoretical viewpoints. Sun Yefang emphasized time and again in his lifetime that common ground should be sought while reserving differences in scientific research work, reasoning should be developed, criticism and contention should be allowed, and scientific levels should be gradually enhanced through correct ways of argument. The seminar to discuss Sun Yefang's economic theories has created a new situation in correctly developing academic comment. It will play an important role in the coming days in promoting economics science and in enhancing the level of economics science.

## NATIONAL POLICY AND ISSUES

### LI XIANNIAN SPEECH AT TRADE UNION CONGRESS

OW190005 Beijing XINHUA Domestic Service in Chinese 1130 GMT 18 Oct 83

[Text] Beijing, 18 Oct (XINHUA)--Speech at the 10th National Trade Union Congress (18 October 1983) by Li Xiannian:

Comrades:

China's 10th National Trade Union Congress is an important meeting in the history of the development of the Chinese workers' movement. The congress will have a great impact on promoting the unity of Chinese staff members and workers of all nationalities, and in striving to create a new situation in the socialist modernization program, the workers' movement and trade union work. On behalf of the CPC Central Committee and the State Council, I hereby extend warm congratulations to the congress! I also extend cordial regards and pay high respects to all its delegates, to model, advanced and outstanding trade union workers who have achieved marked successes, and to all comrade staff members and workers who are toiling actively and diligently for the modernization program!

Over the past half century and more, the Chinese workers' movement has been closely linked with the historical process of Chinese revolution and construction as a whole, and has forged ahead continuous with the development of revolution and construction. The Chinese working class, under the leadership of its vanguard, the Communist Party of China, has made great historical achievements in the protracted democratic and socialist revolution and construction. Guided by the line of the 3d Plenary Session of the 11th CPC Central Committee, it has, since the crushing of the "gang of four," united with the broad masses of people and made new historical contributions to overcoming many difficulties left over from the 10 years of domestic turmoil, and accomplishing the great historical transition. The Chinese working class has proved itself to be the worthy, long-tested leading class of revolution, and the broad masses of staff members and workers have proved themselves to be the worthy main force in building socialism.

The Chinese workers' movement has not entered a new stage of development. It is the common, historical mission of the entire Chinese people, and also the fundamental task of the workers' movement in the new period, to achieve the grand goal set by the 12th National Party Congress. That goal is to quadruple output by the end of this century by constantly improving economic results, and to build China into a modern socialist country with a high level of civilization and democracy. To meet the requirements of this fundamental task, it is

necessary to raise the ideological, political, scientific and educational level of the broad masses of staff members and workers and to carry forward the spirit of the working class as masters in building material and spiritual civilizations. Whether this question can be properly resolved depends on whether the leading role of the broad masses of staff members and workers in the modernization program can be brought into full play, and whether the workers' movement can press ahead triumphantly in the correct direction. The trade unions should take it as their primary duty to provide the proper solution for this question.

The reason the working class is most advanced and best organized and disciplined is, not only because it represents the new productive forces and the new relations of production, but also because it is armed with scientific communist ideas. Such ideas, however, do not emerge spontaneously from the working class, thereby becoming the most advanced social force consciously advancing the historical process. The 10 years of domestic turmoil caused ideological confusion among a section of workers, particularly young workers. Its pernicious influence has not yet been completely eradicated. Under the new historical conditions of opening to the outside world while revitalizing the domestic economy, some staff members and workers who are unable to distinguish right from wrong and who are weak-minded are apt to be corroded and contaminated by decadent bourgeois and other non proletarian ideas. We must pay keen attention to this. The trade unions must cooperate closely with the party and administrative departments in enterprises to give the broad masses of staff members and workers persistent education in basic theories of Marxism-Leninism-Mao Zedong Thought and in patriotism, collectivism, socialism and communism. At the same time, they must also strengthen day-to-day ideological and political work in the light of the real thinking of staff members and workers. The Chinese working class, the most powerful class both organizationally and ideologically, was able to resist and overcome corrosion by reactionary ideas in past hard times of revolutionary struggle. Today, it can surely also resist and overcome all forms of ideological contamination. In recent years, staff members and workers in many places have developed many good ways of educating themselves, which, in essence, are ways of using working class ideology to eliminate various forms of ideological contamination. Trade unions should sum up, popularize and develop such experience to further enhance the consciousness of the masses of staff members and workers in fighting against ideological contamination. Through this struggle and an intensified ideological and political education, the broad masses of staff members and workers will surely be tempered and become a strong contingent, imbued with aspirations, disciplined and morally and intellectually mature.

Education, science and culture are the intellectual foundation for economic construction and social development, as well as for improving enterprise quality. Only by mastering the necessary scientific, technological and general knowledge and achieving a fairly high level of job competence and managerial skills through hard study, can the broad masses of staff members and workers do their full part in modernized production and in improving enterprise management and operations to raise the economic efficiency of their enterprises and society as a whole. Furthermore, a higher scientific and cultural level among staff members and workers is an important condition for enhancing their enthusiasm for labor and for social-political work. Trade unions at all levels must effectively perform their duty to mobilize and organize staff members and workers to

study science and general knowledge. Staff members and workers must be made really aware that respect for knowledge and intellectuals fully conform to the fundamental interests of the working class and the entire nation, and constitutes an indispensable social quality for the working class. They must be really aware that they can never be qualified builders of socialist material and spiritual civilization without equipping themselves with modern scientific and general knowledge. In coordination with the departments concerned, and by pooling all efforts, the trade unions must do a good job in running regular scientific and cultural education for staff members and workers. At the same time, efforts must be made to create the necessary conditions for staff members 'and workers' self-study and to encourage them to become qualified personnel through such self-study.

While making efforts to improve the quality of staff members and workers, trade unions must truly represent, and resolutely defend, their interests. In our country, the entire people have common economic, political and social interests, and there is no conflict in their fundamental interests. Nevertheless, because of division of labor and differences in economic forms and other systems, people of different sectors have special interests. Such special interests should be respected, provided they do not conflict with the overall interests of society. The entire program and all the activities of our party represent and embody the fundamental interests of the working class, the rest of the people and the supreme interests for the development of society. They also represent, and embody, the unity of the long-term and immediate interests of the people. The party, through its work in various fields and by relying on its policies, strives to correctly adjust relations between specific interests of different sectors. Trade unions are a link, or a bridge, by means of which the party maintains its ties with the masses of staff members and workers and, at the same time, they are the guardians of the latter's vital interests. The role of mass organizations, such as the trade unions, the Communist Youth League and the women's federation, must be to unite their members in taking an active part in the country's construction, and in the management of state affairs while representing their members' interests. Under China's political system, the trade unions, the CYL and the women's federation should all be important organizations led by the party, each having its functions and powers and capable of working independently and in a responsible manner. Party organizations and governments at all levels just energetically support trade union work. Historical experience has indicated that it is entirely wrong to confuse the fact that the trade unions work independently, and in a responsible manner according to their prescribed function and power, with such things as "refusal to obey party leadership" and "syndicalism."

Trade unions at all levels must have a clear-cut stand in the struggle against everything jeopardizing the interests of staff members and workers. They must fight against bureaucracy in leadership, such as irresponsibility towards the party and people, disregard for the democratic rights of staff members and workers and apathy towards their life. They must also combat action by trade union members detrimental to the interests of the country and the collective. They must educate staff members and workers to carry forward the glorious tradition and revolutionary spirit of hard work, selflessness in the public interest, discipline, willingness to work wherever they are needed and love for

their factories as their homes, while correctly integrating the interests of the state, the collectives and the individuals. Great efforts must be made to eliminate lax discipline, slackness in work and the mistaken acts of "doing everything only for money" and taking advantage of one's work to help oneself at public expense. The masses of staff members and workers must be mobilized and organized to struggle actively against economic and other criminal offenses, and against all unhealthy tendencies which damage socialist order, to help effect a basic turn for the better in the general atmosphere in society. Without such struggle, the interests of the state and society and the vital interests of the masses of staff members and workers cannot be protected. Trade unions at all levels must resolutely eradicate the work style characteristic of "Yamens" [government offices in old China], go deep among the masses of staff members and workers, pay heed to their voice and report their demands to higher authority, while striving hard to help them solve their most pressing difficulties and problems. In a word, trade unions must try to do more good things and things of practical value to them. In this way, they will win the wholehearted support of the masses of staff members and workers, and maintain their vitality, thus earning the title of "the home of staff members and workers" in reality as well as in name.

Comrades! This congress is now in session immediately following the 2d Plenary Session of the 12th CPC Central Committee. The Second Plenary Session adopted the "Decision of the Central Committee of the Communist Party of China on Party Rectification." This decision and the speeches of Comrades Deng Xiaoping and Chen Yun at the session are very important documents, which are of immense significance in guiding trade union work and the workers' movement as a whole. The Chinese working class, and the rest of the Chinese people, under the party's leadership will accomplish great things in the magnificent cause of socialist modernization. After the 10th National Trade Union Congress, all trade union personnel and staff members and workers of all nationalities in the country, we are convinced, will unite still closer to better fulfill their historical mission and will make still greater contributions to winning new victories for China's modernization and to opening brighter prospects for the Chinese workers' movement!

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## NATIONAL POLICY AND ISSUES

### TRADE UNIONISTS WELCOME LEADERS AT CONGRESS

OW190513 Beijing XINHUA Domestic Service in Chinese 1218 GMT 18 Oct 83

[Excerpts] Beijing, 18 Oct (XINHUA)--China's 10th National Trade Union Congress ceremoniously opened at the Great Hall of the People this afternoon.

The congress is a meeting to mobilize China's working class to realize the splendid program formulated by the 12th CPC National Congress and to create a new situation in socialist modernization.

Party and state leaders Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao and Ulanhu attended the opening ceremony. They were accorded a warm welcome by the 1,998 delegates and 328 specially invited representatives from various fronts and parts of China.

Amid warm applause, Li Xiannian, standing committee member of the political bureau of the CPC Central Committee and president of the People's Republic of China, spoke on behalf of the CPC Central Committee and the State Council.

On behalf of the Ninth Executive Committee of the All-China Federation of Trade Unions, Ni Zhifu, president of the federation, delivered a work report, entitled "Bring into Play the Working Class Spirit of Being the Master of its Own Affairs in the Course of Building Socialist Material and Spiritual Civilizations."

The following persons also attended today's opening ceremony:

Members of the political bureau of the CPC Central Committee Wan Li, Xi Zhongxun, Wang Zhen, Wei Guoqing, Li Desheng, Yang Shangkun, Yang Dezhi, Yu Qiuli, Song Renqiong, Zhang Tingfa and Hu Qiaomu and alternate members of the political bureau Yao Yilin, Qin Jiwei and Chen Muhua;

Members of the secretariat of the CPC Central Committee Deng Liqun, Gu Mu and Hu Qili and alternate members of the Secretariat Qiao Shi and Hao Jianxiu;

Vice chairman of the Central Advisory Commission Bo Yibo and standing committee members of the Central Advisory Commission Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Jiang Hua, Xiao Ke, He Changgong, Song Shilun, Chen Xilian, Duan Junyi and Huang Huoqing;

Permanent Secretary of the Central Discipline Inspection Commission Wang Heshou;

The NPC Standing Committee Vice Chairmen Hu Juewen, Xu Deheng, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin, Yan Jici, Hu Yuzhi, Rong Yiren, Ye Fei, Liao Hansheng, Han Xianchu and Huang Hua;

Vice Premier of the State Council Tian Jiyun and state councillors Kang Shien, Zhang Jingfu, Wang Bingqian and Song Ping;

Member of the Military Commission of the CPC Central Committee Hong Xuezhi; and

Vice Chairmen of the CPPCC National Committee Yang Jingren, Kang Keqing, Hu Ziang, Wang Kunlun, Qian Changzhao, Dong Qiwu, Yang Chengwu, Xiao Hua, Chen Zaidao, Lu Zhengcao, Burhan and Gu Wu.

Some 3,000 others attended the meeting as observers. They included responsible persons of various central departments concerned, trade union workers of the All-China Federation of Trade Unions and Beijing Municipality and representatives of industrial staff members and workers.

CSO: 4006/059

## NATIONAL POLICY AND ISSUES

### WATER ECONOMY CONFERENCE TOLD OF URBAN CONSERVATION

OW121147 Beijing XINHUA Domestic Service in Chinese 0732 GMT 9 Oct 83

[By reporter Gu Honghong]

[Excerpts] Beijing, 9 Oct (XINHUA)--According to data released at the national conference on economizing on water in urban areas, urban areas across the country have bright prospects and great potential for solving water shortages.

Shortly after a planned water consumption system was introduced in industrial enterprises, Shanghai City put an end to the situation in which use of water was left unmanaged and there were no indexes to assess water consumption. In recent years, water consumption has continually dropped. In the first half of this year, the total industrial output value of the industrial enterprises in the city, which have introduced the planned water consumption system, increased 5.1 percent over the corresponding 1982 figure, while their water consumption dropped by 2.6 percent. After 445 enterprises, with monthly water consumption over 5,000 dun in Tianjin, introduced a planned water consumption over 5,000 dun in Tianjin, introduced a planned water supply system, their water consumption dropped by 40 percent in the first month, saving an average a fixed-rate system for household use of water, in which people, paying a limited sum, were allowed unlimited consumption of water. As a result, per capita monthly water consumption, in some cases, was as high as 10 to 20 dun. In localities where water meters are installed and water is charged on the basis of consumption, per capita monthly water consumption has dropped to 2 or 3 dun.

All in all, the work of saving water has developed unevenly from city to city, waste of water resources is still a very serious problem and there is great potential for saving water. Take the water recycling rate for instance. The average water recycling rate in cities across the country is still below 20 percent, far lower than Dalian, Qingdao, Shanghai and other cities. If the recycling rate of industrial water in all cities in the country were as high as Shanghai's current level, we would be able to save 26 million don of water a day, and over 5 billion yuan investment for building waterworks.

CSO: 4006/059

## NATIONAL POLICY AND ISSUES

### XUE MUQIAO ON LAW OF VALUE, PLANNED ECONOMY

HK120857 Shanghai SHIJIE JINGJI DAOBAO in Chinese 26 Sep 83 p 1

[Report: "Xue Muqiao Says That Planned Economy Should Also Attach Importance to the Law of Value"]

[Text] In an academic report delivered at a seminar on Sun Yefang's economic theory on 16 September, Xue Muqiao, a well-known economist, highly appraised Sun Yefang's outstanding contributions to the socialist economic theory. In particular, he pointed out, Sun Yefang's theory that the law of value is still playing an important role in the socialist economy is now playing a more and more important guiding role in the practice of our socialist construction. He said: Since the central authorities put forth the principle of "ensuring the dominant position of the planned economy while taking regulation by market mechanism as a supplementary factor," some comrades had once again tried to set plans against market mechanism and set state plans against the law of value, and this has led to a tendency of ignoring the law of value. Therefore, it is completely necessary to once again discuss the issue of the role of the law of value in the planned economy, and it is an issue Comrade Sun Yefang paid the closest attention to.

Xue Muqiao stressed: A tough problem in the current reform of the economic system, and particularly, in the reform of the planned management system, is how to guide the enterprises to conscientiously follow state plans and to readjust the plans in the light of ever changing and extremely complicated social demands, that is, how to link state plans to social demands. The existing method we have worked out is to lay down compulsory plans (which the enterprises must strictly carry out) and guiding plans (which the enterprises are authorized to readjust according to market demands) for the production of various goods in the light of their importance in the national economy and the people's livelihood. Meanwhile, state plans do not involve small commodities which have little bearing on the national economy and the people's livelihood, and the production of these small commodities is subject to spontaneous regulation of the law of value. The guidance planning relies mainly on various economic levers (of which the most important is pricing policy reflecting the law of value) to guide the enterprises to follow the course charted by state plans. The formulation and implementation of compulsory plans also require a good command of the law of value. This is the guarantee for the fulfillment of state plans. State plans should be worked out on the basis of a correct command

4

of the law of developing the national economy in a planned and proportionate way (that is, to maintain appropriate ratios) and a good command of the law of value. These two laws must be combined in our planning work. Can we say that the relationship, which we have discussed frequently in recent years, between regulation by plans and regulation by market mechanism (here, I refer to market mechanism in a broad sense which includes the use of economic levers to ensure the fulfillment of state plans) is precisely a theoretical issue of how to correctly link the law of developing the national economy in a planned and proportionate way to the law of value? [The full text of Xue Muqiao's speech is carried by the October issue of JINGJI YANJIU.]

CSO: 4006/059

NATIONAL POLICY AND ISSUES

BRIEFS

ECONOMIC PROBLEMS OF KEY CITIES--Wuhan, 8 Oct (XINHUA)--The second national symposium on economic problems of key cities was held in Wuhan today. Some 130 economic workers, experts and scholars from 27 large and medium-sized cities attended the meeting. They focused their comprehensive discussions on who to bring into play the role of the key cities. The symposium was co-sponsored by the Institute of Financial, Trade and Material Economics of the Chinese Academy of Social Sciences and the Wuhan City Institute of Economics. [By reporter Xu Jinpeng] [Text] [CW110133 Beijing XINHUA Domestic Service in Chinese 1426 GMT 8 Oct 83]

CSO: 4006/059

ECONOMIC PLANNING

XINJIANG RIBAO ON RUNNING ENTERPRISES WELL

HK110222 Urumqi Xinjiang Regional Service in Mandarin 0100 GMT 11 Oct 83

[Report on 11 October XINJIANG RIBAO Editorial: "Do a Good Job in Running the Existing Enterprises and Improve Economic Results--Third Comment on Developing and Building Xinjiang"]

[Excerpt] The editorial says: We have to do a lot of arduous preparatory work for developing and building Xinjiang. Running well the existing 4,000-odd industrial and communications enterprises represents a very important item of this preparatory work. The reasoning behind this is very clear: 1) The profit and taxes from these enterprises constitute the main source of construction capital; 2) the existing enterprises have to make people available to fill posts as technical and management talent and production technology backbone forces in new enterprises; 3) if the quality of the existing enterprises is low, their results poor, their products lacking competitive ability, and their future in doubt, the difficulties in development will be still greater, and moreover the new enterprises [words indistinct] will be unable to play their proper role after construction.

The editorial says: The most fundamental and important thing in running the existing enterprises well is to improve their quality and economic results. And the key to improving their quality lies in improving their management standards and being resolved to readjust their leadership groups well. The leaders of all departments and areas must, when carrying out enterprise consolidation, strengthen their sense of political responsibility from the strategic plane of carrying out the Central Committee instructions on developing and building Xinjiang, and seriously readjust the enterprise leadership groups in line with the demands for the four transformations of leading cadres of enterprises. We absolutely cannot lower the demands on leading cadres, under any pretext. It is necessary to train in various ways the new leadership groups that have already been readjusted, so that they will create a new situation in production as soon as possible.

The editorial says: The region's industry and communications leading departments and the enterprise leaders must resolutely shift all work in the enterprises onto the track of focusing on improving economic results. And in order to improve economic results, it is essential to work to improve the quality of enterprise management, technology, and the worker force.

CSO: 4006/039

## ECONOMIC PLANNING

### XINJIANG RIBAO ON PREPARATIONS FOR DEVELOPMENT

HK070402 Urumqi Xinjiang Regional Service in Mandarin 0100 GMT 7 Oct 83

[Report on 7 October XINJIANG RIBAO Editorial: "Do a Good Job in the Preparatory Work--Second Comment on Developing and Building Xinjiang"]

[Text] The editorial points out: To a very great degree, whether or not the strategic scheme for developing and building Xinjiang can be translated into reality is determined by whether the preparatory work is done in a thorough and sound way. We will prosper if we are prepared and will fail if we are not. As in with military affairs, in economic construction we cannot fight a battle for which we have not prepared.

During his inspection of Xinjiang, Comrade Zhao Ziyang proposed that the development of Xinjiang should roughly be divided into two stages. He stressed that in the 1980's we should concentrate on doing preparatory work. There are many aspects to this work. We must draw up plans, survey resources and prepare for major projects, carry out the necessary construction of key projects, do a good job in tapping brains and training talent, raise economic results, fully tap our potentials, do well in running the 4,000 existing enterprises, and accumulate more capital. At present the primary task is to get a clear idea of our resources and do a good job in planning.

The editorial points out: The current problem is that certain areas and departments clamor about development and construction, but have little idea or are in the dark on how their area or department should carry out development and construction, or on what work they should do in the development and construction of Xinjiang. They simply wait for the autonomous regional authorities to produce plans before getting started themselves. This is not the attitude of spontaneously implementing the strategic ideas of the central authorities.

Each area has its characteristic, and each department has its superior point. Each area and department should have a clear idea on what to concentrate on in development and what scale to attain by what time; and in addition, they should spontaneously act in light of local reality and the existing conditions in drawing up long-term schemes and short-term plans.

CSO: 4006/039

## ECONOMIC PLANNING

### RENMIN RIBAO DEVOTES SPECIAL SECTION TO XINJIANG

OW141235 Beijing XINHUA in English 1205 GMT 14 Oct 83

[Text] Beijing, October 14 (XINHUA)--"Develop and construct Xinjiang" has become a rallying cry since party General Secretary Hu Yaobang and Premier Zhao Ziyang visited the region earlier this year.

Today's "People's Daily" carries a special section on the development of the Xinjiang Uygur Autonomous Region and the model workers who are making outstanding contributions in building this strategically important border area. This is part of the campaign to prepare for large scale development of the region by the beginning of the next century.

Turbayer, head of Xinjiang's livestock department, said the region could double the present 35.9 million head of livestock if efforts are made to improve pasture and the utilization rate of fodder resources.

In an interview with the "Xinjiang Daily" which was carried in today's "People's Daily" special, he said that Xinjiang had about 50 million hectares of pastureland, next only in size to Inner Mongolia and larger than all of New Zealand. But lack of fodder processing plants and underdevelopment of pastures has hindered progress.

He said there was a large potential for increasing livestock breeding. In 1982, Xinjiang hit an all-time high both in number of animals slaughtered or sold and in wool output. Now the region has planted more than 230,000 hectares of pastureland, improved 249,000 hectares and fenced 316,000 hectares and the water problem on more than six million hectares has been solved. Since 1981, the region has built 108 fodder processing plants with a combined annual production capacity of 200,000 tons. A fodder processing plant with an annual capacity of 10,000 tons, the biggest in the region, is now under construction. Many counties, communes and farms are planning to build their own fodder processing plants each of which could produce 1,000 tons of fodder annually.

During his inspection tour of Xinjiang, Premier Zhao Ziyang said there was every reason to believe that Xinjiang would become a major base for animal husbandry, industrial crops and petroleum.

A general survey will start soon in the Turpan, Hami and Santanghu basins which are believed to have good prospects for oil and gas. It has also been reported that the tempo of exploration for gas and oil in the Tarim basin will be stepped up.

The drive to develop Xinjiang started in the 1950's when China established a production and construction corps. During the 1960's, a large number of middle school and college graduates came from Shanghai to support the development in the autonomous region. Now the production and construction corps runs 390 farms and industrial enterprises. Their gross industrial output value accounts for one-fifth of the region's total while their agricultural output value accounts for one-fourth.

Another report highlights the development of the region's textile industry. Xinjiang now puts out more than 1,600 varieties of textiles while 20 years ago, the figure was 250. The region produces 150,000 tons of long staple cotton annually, over 95 percent of the country's total. And it is the country's leading producer of fine wool with an annual output of 37,000 tons.

The multinational region will in future not only become a focus of economic construction but also a tourist attraction, the paper says. An article in the special section told of the beautiful landscapes in Xinjiang, including Tianshi Lake, the Turpan basin, the route of the old silk road and the fascinating customs of the minority peoples who live there.

CSO: 4006/054

## ECONOMIC PLANNING

### GANSU MEETING ANALYZES ECONOMIC SITUATION

HK210140 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 20 Oct 83

[Excerpt] The Gansu Provincial Government convened a meeting yesterday afternoon to analyze economic activities, to sum up the situation in fulfilling economic and technical targets in the province's industry, communications, and finance and trade enterprises in the first 9 months of the year and put forward views on work in the fourth quarter. The meeting demanded that the staff and workers in the province's industry, communications, and finance and trade systems work hard to increase income and economize expenditure and fulfill the year's production tasks ahead of schedule. Vice Governors Hou Zongbin and Zhu Xuanren attended the meeting and spoke.

The meeting pointed out: Economic results in the province's industrial enterprises showed an all-round rise in the first 9 months of this year. Profit growth exceeded growth of output value. The proportion between light and heavy industry was basically well coordinated. Industrial output value in the great majority of provincial industry and communications departments and bureaus and prefectures and cities increased compared with the same period last year. Communications and transport tasks were also fulfilled relatively well. Railroad freight transport showed a rise of 7.4 percent compared with the same period last year, while road freight transport turnaround rose by 12 percent. Transport of key materials was basically assured. In the markets, a new situation of no slackening in the slack season and still more business in the busy season appeared. Compared with the same period last year, in the first 9 months of the year net provincial procurement of commodities increased by 14.4 percent and purchases of agricultural and sideline products by 14.8 percent. The province has procured and stored 838 million jin of grain, 109 million jin more than in the same period last year. Retail sales of daily necessity consumer goods increased by 5.8 percent.

After analyzing the production situation, the meeting demanded that the industry, communications, and finance and trade enterprises completely fulfill this year's production plans ahead of schedule. It is necessary to lay stress on increasing output of coal, oil, electricity, transport, raw materials in short supply, chemical fertilizer, farm machines, and other aid-agriculture products. It is necessary to achieve balance and stability in industrial production and avoid the trend of one-sided pursuit of production value. At the same time it is necessary to arrange next year's production, renovation, and transformation plans as early as possible.

## ECONOMIC PLANNING

### BRIEFS

**GANSU URBAN CONSTRUCTION MEETING**--The Gansu provincial meeting on urban construction work was recently held in Jingchuan County. The meeting proposed that in the near future, the province should do well in grasping four types of work in urban construction: 1) It is necessary to vigorously strengthen urban planning work. 2) It is essential to speed up greening of urban areas. 3) It is imperative to pay attention to building urban infrastructure. 4) It is necessary to strengthen urban management. The meeting was sponsored by the provincial urban construction and environmental protection department and the provincial federation of trade unions. At the meeting, the experiences of Jingchuan County in strengthening urban planning and construction and in management were introduced and the views and method were discussed and studied. [Summary] [Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 17 Oct 83]

CSO: 4006/054

## AGGREGATE ECONOMIC DATA

### HEILONGJIANG SCORES ACHIEVEMENTS IN INDUSTRY

SK130953 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 12 Oct 83

[Text] In the first 9 months of the year, our province made steady growth in industrial production and achieved a noticeable improvement in the economic results. In the first 9 months, the total provincial industrial output value was 21.167 billion yuan, fulfilling 75.5 percent of the annual target and up 6.1 percent over the corresponding 1982 period. Of this, the light industrial output value increased by 3.2 percent and that of heavy industry increased by 1.8 percent. The enterprises covered by the budget across the province netted 496 million yuan of profits, up 26.6 percent over the corresponding 1982 period, and delivered 205 million yuan of profits to the state, 20 percent. The profit margin from each 100 yuan output value was 7.16 yuan, up 18 percent.

Since the third quarter, industrial and communications enterprises across the province have conscientiously implemented the guidelines of the national industrial and communications work meeting and increased the production of light and textile products which were readily marketable to meet the need of the market. Having made an increase of 2.1 percent in the first half of the year, an increase of 3.8 percent was achieved in this regard as of the end of September. Of this, output of beer, beverages, canned food, daily products, synthetic detergent, polyester fiber and blended fabrics increased by over 10 percent.

In the January-September period, the province made a sustained and big increase in heavy industry. The production of pig iron, boilers, calcium carbide, rubber tires, gold, and 10 other products showed increases ranging from 29 to 45.8 percent over the corresponding 1982 period. Energy industrial enterprises across the province fulfilled the annual target. From January to September, output by the collieries whose products are distributed under the unified plan increased by 6.7 percent over the corresponding 1982 period. Local collieries across the province produced 8.5 million tons of raw coal, fulfilling the annual plan by 95.5 percent and an increase of 1.62 million tons--23.6 percent--over the corresponding 1982 period. The electricity generated increased by 8.7 percent and the target in this regard was fulfilled. A stable yield and high yield in crude oil was achieved. Output of crude oil increased by 0.4 percent.

Because various localities and industrial enterprises have paid special attention to the work of halting deficits and increasing profits, the profits netted and handed over to the state by various industrial enterprises outstripped the growth rate of industry in the first 9 months of the year. The general cost of the major products covered by the budget dropped by 1.3 percent. In particular, the profit level of the 35 major money-earning enterprises in the province raised by a big margin. The money-losing enterprises across the province have made great efforts to lower their consumption and accelerated the turnover of funds. By the end of September, the number of enterprises operating at a loss decreased by 107, a drop of 13.8 percent, and the amount of deficits of these enterprises was reduced by 24.7 percent.

However, what merits our attention is that many industrial and communications enterprises in the province are still operated at a loss, and the amount of deficits of these enterprises is still very huge. These enterprises have failed to attain the demand of the state and the province in regard to the 30 percent reduction in deficits. The profits netted by various prefectures and cities are very uneven. A large amount of funds prepared for stocking up products have been used. Therefore, in the fourth quarter, we should make continued efforts to comprehensively fulfill the 1983 provincial plan for increasing industrial production.

CSO: 4006/039

## AGGREGATE ECONOMIC DATA

### NEI MONGGOL IMPROVES PEOPLE'S LIVING STANDARD

SK130706 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 12 Oct 83

[Text] According to our reporter (Zhang Tong), the autonomous regional agricultural bank recently released the regional economic information, including new income and expenditure changes that occurred in the first half of 1983 among peasants and herdsmen. According to the statistics compiled by the bank from its sampling investigation data collected among the 1,317 agricultural and animal husbandry households of the eight leagues and cities throughout the region, commune members' consumption level in livelihood was greatly upgraded. They also greatly increased their investment in improving production conditions. The major income of domestic sideline production among peasants and herdsmen is from domestically raising livestock.

In its sampling investigation data, per household cash income was 547 yuan in the first half of 1983. Their income accumulated by selling farm and animal husbandry sideline products accounted for more than 50 percent of their total income. Their income accumulated from developing the domestic breeding of livestock and other sidelines accounted for 57.8 percent of the income amassed from their sideline production. The 30 agricultural and animal husbandry households of Hanggin Hou Banner earned 359 yuan of their per household income by selling raised poultry and livestock in the first half of 1983. It is expected that commune members will vigorously take up the domestic undertaking of raising livestock and others.

In the first half of 1983, productive expenditures of agricultural and animal husbandry households markedly increased. In its investigation data, per household investment in improving production conditions accounted for 44.5 percent of their total expenditures. Per capita expenditure in purchasing means of production was more than 52 yuan. In 1981, the 54 households of Wuyuan County only achieved 18 percent of their total expenditures for their productive expenses. They achieved 44.1 percent in this regard in the first half of this year. They vied with one another to buy chemical fertilizer, agricultural chemicals, farm animals, and middle-sized and small farm machines, resulting in steady improvement of production conditions.

In living consumption in the first half of 1983, per capita expenses were more than 67 yuan. The structure of living consumption had a new change. Expenditures in cultural life and service were markedly increased. Per household expenses in cultural life were 41 yuan in the first half of this year and per capita expenses were more than 7 yuan. Of the expenditures for livelihood, money spent for purchasing durable consumer goods and improving housing conditions was further increased. The quality of foodstuffs was upgraded, and the consumption of chemical fiber cloth was increased. As commune members often said it well, we take food full of nutrition, use articles of fine quality, buy beautiful clothes, and live in spacious houses. Commune members have spent 36 percent of their expenditures on food and 27 percent on clothes. Their housing space has reached 35 square meters.

CSO: 4006/039

## AGGREGATE ECONOMIC DATA

### DEMAND FOR APPLIANCES OUTSTRIPS PRODUCTION

OW200921 Beijing XINHUA in English 0818 GMT 20 Oct 83

[Text] Beijing, 20 October (XINHUA)--China produced 2.67 million washing machines in the first 9 months of this year, 45.9 percent more than the same 1982 period, according to the state statistical bureau.

At the same time, output of refrigerators shot up 88.8 percent from 69,000 to 130,000.

But the growth in production lags far behind demand. Officials of the Ministry of Commerce said that demand for these items has increased since last summer following a rise in purchasing power.

Commercial departments in Beijing are having difficulty in meeting orders for twin-tub washing machines and refrigerators placed at the beginning of this year. New orders will not be accepted until early next year.

Another popular item is color television. Production shot up 37.5 percent in the first 9 months of this year to 240,000 units, but they are snapped up as soon as they are put on the shelves of the department stores. The Ministry of Electronics Industry has decided to produce 200,000 units over the original plan this year.

Rapid progress has been made in the production of home electric appliances. In the 5 years between 1978 and 1982, the output of refrigerators rose from 16,000 to nearly 100,000, a six-fold increase; television sets from 517,300 to more than 5,900,000, more than 11-fold increase; recorders (including radio-recorders) from 47,000 to 3,470,000, a 74-fold increase. The output of washing machines was only a little over 300 units in 1978; it reached more than 2,500,000 units in 1982.

In their early stages of development are plans for producing air-conditioners, vacuum cleaners, electric cookers and fans and video-tape recorders.

CSO: 4020/017

## AGGREGATE ECONOMIC DATA

### PRC CHEMICAL INDUSTRY PRODUCTION INCREASES

HK080336 Beijing JINGJI RIBAO in Chinese 29 Sep 83 p 1

[Report: "Chemical Industry Steadily Grows"]

[Text] The situation has been fine this year in the production of the chemical industry in our country since; production has steadily grown. From January to August, gross output value of chemical industry realized 32.39 billion yuan, accounting for 79 percent of the annual plan, up 11.7 percent from the same period last year, and higher than the national target of a 9.5 percent growth in the gross output value of industry and agriculture. There was growth to varying degrees in the overwhelming majority of 82 provinces, municipalities, autonomous regions, with only a few exceptions. Among them, 17 provinces, municipalities and autonomous regions had showed more than a 10 percent growth. Compared with the same period last year, most of the 18 major chemical products had increases ranging from 0.6 to 43.6 percent, with the exception of agricultural chemicals and dyestuffs.

Between January and August, the national chemical industrial system handed over to the state a total profit of 3.46 billion yuan, accounting for 69.2 percent of the annual plan, up 8.6 percent from the same period last year. Among 28 provinces, municipalities and autonomous regions, 15 showed increases when compared with the same period last year, while 12 of them showed increases of over 10 percent.

According to statistics of 302 key enterprises, comparable production costs dropped by 0.65 percent from the same period last year, totalling 64.41 million yuan.

Between January and August, the circulation cycle of floating capital was 72.56 days, an acceleration of 6.24 days compared with the same period last year. Income from sales in key enterprises grew by 11.1 percent over the same period last year, which was higher than the 6.6 percent growth in output value.

Small nitrogenous fertilizer and key chemical industry enterprises again made some achievements in changing the situation of suffering from losses by increasing profits. In the first half of this year, profits of small nitrogenous fertilizer enterprises reached a total of 193 million yuan. By the end of August, 11 of the 302 key enterprises were still suffering from losses, with a sum of 10.34 million yuan, a drop of 13.72 million yuan compared with the same period last year, and a reduction of 57 percent in losses.

## AGGREGATE ECONOMIC DATA

### BRIEFS

**GUANGDONG THIRD QUARTER INDUSTRY**--According to the statistics compiled by the Guangdong Provincial Statistical Bureau, the province's gross industrial output value in the third quarter of this year was 14.95 percent more than in the same period last year and was 9.11 percent and 3.05 percent more, respectively, than in the first and second quarters of this year. The amount of taxes and profits submitted to the state by the state-run industrial enterprises throughout the province in the third quarter reached some 770 million yuan and was 6.32 percent more than in the corresponding period last year. Of the 770 million yuan, some 300 million yuan was profits. Profits in the province in the first half of this year had dropped, but not now. The amount of profits submitted to the state in the third quarter of this year was 15.6 percent more than in the same period last year. [Summary] [HK191440  
Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 13 Oct 83 HK]

**HENAN PLASTICS INDUSTRY**--Henan provincial plastic industrial enterprises had fulfilled 82.8 percent of the 1983 plastic production quota by the end of September. The province's plastics output by the end of September was 26.4 percent more than in the same period last year and was 100 percent more than the national average output. The amount of taxes and profits submitted to the state by plastics industrial enterprises throughout the province by the end of September was 15.18 percent more than in the same period last year. The province has increased its new variety of products by some 150 kinds this year. The province has some 80 new kinds of plastic sandals and slippers. [Summary] [Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 16 Oct 83 HK]

**SHAANXI ENTERPRISES REDUCE DEFICITS**--Industrial enterprises in Shaanxi Province have done well in reducing deficits and increasing surpluses. The number of industrial enterprises throughout the province which incurred losses is 136 less than in the same period last year and the amount of losses is 44.2 percent less than in the corresponding period last year. Of the 38 large enterprises which incur losses, 13 have turned losses into profits. [Summary] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 16 Oct 83 HK]

**LIAONING COUNTY INDUSTRIAL PRODUCTION**--In the first 9 months of this year, the growth of industrial profit of Donggou County, Liaoning Province, was greater than that of its industrial output value. The county's industrial output value totaled 121 million yuan, 9.5 percent greater than in the

corresponding 1982 period, and its profit was 14.5 million yuan, 15 percent more than in the same 1982 period. [Excerpt] [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 17 Oct 83 SK]

SHAANXI SEPTEMBER INDUSTRIAL OUTPUT--Shaanxi Province's gross industrial output value in September was 1.135 billion yuan, an increase of 18.7 percent over the same period last year. The amount of profits submitted by state-run industrial enterprises to the state was 34.5 million yuan, an increase of 27 percent over the corresponding period last year and a record month for this year. [Summary] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 18 Oct 83 HK]

GUANGXI MACHINE-BUILDING INDUSTRY--Guangxi's machine-building industry has steadily developed production in the first 8 months of this year, with total output value exceeding that of the same period last year by 26 percent. There was also a profit rise of 110 percent, while losses fell by 38 percent. Following the introduction of the rural production responsibility systems, many peasants have been queuing up at the factories to buy hand-guided tractors and other farm machines. Profit in the farm machinery industry in the first 8 months of the year rose by 370 percent over the same period last year. Output of hand-guided tractors increased by 73 percent. [Summary] [HK061352 Nanning Guangxi Regional Service in Mandarin 1130 GMT 3 Oct 83]

HEILONGJIANG LIGHT INDUSTRIAL OUTPUT--Thanks to enterprise consolidation, the Mudanjiang City Second Light Industrial Bureau increased both in output value and profits. Its total output value totaled 102.2 million yuan during the January-August period, an increase of 8.4 percent, and its profits totaled 6.071 million yuan, an increase of 16.9 percent over the corresponding 1982 period. [Excerpt] [SK160602 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 13 Oct 83]

XINJIANG INDUSTRIAL PRODUCTION--Xinjiang set a new record in industrial output in September. From January to September, the region fulfilled 79 percent of this year's quota in industrial output value, representing an increase of 16.39 percent compared with the same period last year. The profits achieved increased by 57.2 percent as compared with the same period last year. Large increases have been made in major production indices. Of 83 comparable products, increases have been made in 67 products as compared with the same period last year. Chemical fertilizer, small tractors, and plastic film have increased by over 100 percent, and cement, steel, timber, generated energy, crude oil, and raw coal have also increased to a large extent. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Oct 83]

TIANJIN TAX EVASION--At present, Tianjin municipality has some 42,000 individual, industrial, and commercial households. Over the past 4 years, they delivered 7,187,500 yuan of taxes to the state. However, tax evasion is serious. A recent survey of 788 households in six districts show that 558 of them evaded taxes totaling some 60,000 yuan, 1.33 times of the total amount of taxes delivered to the state. [Summary] [SK160552 Tianjin TIANJIN RIBAO in Chinese 23 Sep 83 p 2]

**SHANXI INDUSTRY OUTPUT**--Shanxi Province has achieved harmonious progress in growth rate and economic results in industry this year. By the end of September, total output value was 11.156 billion yuan, over 80 percent of the year's quota, and 13.6 percent more than in the same period of last year. Profits turned over to the state during this period amounted to 686.79 million yuan, some 77 percent of the year's plan, and 13.06 percent more than in the same period last year. The profit turnover figure for September was 97.19 million yuan, a rise of 5 percent over August and a record. [Summary] [HK171236 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 14 Oct 83]

**HEILONGJIANG ENTERPRISE PROFITS, DEFICITS**--In order to raise economic results and to help money-losing enterprises and deficits, the Harbin City Government decided to make public the profit and deficit figures of profit-making and money-losing enterprises beginning on 21 October. In the first 9 months of 1983, Harbin City's 22 profit-making large enterprises made a profit of 91.6 million yuan, an increase of 3.88 percent over the same 1982 period. Of the city's 35 money-losing enterprises, nine had ended deficits by the end of September. [Excerpts] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 21 Oct 83 SK]

**JILIN FINANCIAL SITUATION**--In the first 9 months of this year, Jilin Province fulfilled 78.2 percent of the annual revenue target, and increase of 12.6 percent over the corresponding 1982 period, and 79.6 percent of the expenditure target, up 9.1 percent. The growth of economic results outstripped that of industrial output value, and the growth of revenue exceeded that of expenditure. The profit earned by the profit making industrial enterprises covered by the budget increased by 24.6 percent over the corresponding 1982 period, and the deficit of money-losing enterprises was reduced by 50.2 percent. After making up for the deficit with profit, the net profit increased by 48.9 percent. In the first 9 months, revenue increased in 36 cities and counties over the corresponding 1982 period. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 18 Oct 83 SK]

**JILIN ENTERPRISE PROFITS**--Industrial and communications enterprises in Jilin Province increased economic results and profits in the January-September period. They earned 21.27 million yuan of profits, an increase of 207,000 yuan over the same 1982 period. Grassroots supply and marketing cooperatives earned 6.357 million yuan of profits, an increase of 6.127 million yuan over the same 1982 period. However, among the province's 1,400 independent accounting units, 34 still suffer deficits. [Excerpts] [Changchun Jilin Provincial Service in Mandarin 2200 GMT 22 Oct 83 SK]

**HEILONGJIANG LIGHT INDUSTRY**--Heilongjiang Province's first light industry began to pick up in 1983. By the end of September, the total industrial output value had increased 1.2 percent and profits increased 4.9 percent over the same 1982 period. The output of 20 products badly needed in the market, including paper, dairy products, washing powder, vacuum bottles, electric bulbs, canned food, beer and shoe polish, also increased. [Excerpt] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 22 Oct 83 SK]

CUIZHOU INDUSTRIAL PRODUCTION--Guizhou Province's gross industrial output value in September exceeded 600 million yuan for the first time and reached some 614 million yuan, an increase of 20.1 percent over August. The state-run industrial enterprises in the province made a profit of 19.54 million yuan in September, an increase of 11.15 percent over August. The province fulfilled 77.7 percent of the annual quota for its gross industrial output value in the first 9 months of this year and the gross industrial output value in the first 9 months of this year was 20.7 percent more than in the same period last year. The profit from each 100 yuan of the output value in this period was 40.06 percent more than in the corresponding period last year. The number of enterprises which incurred losses was 36 less than at the end of last year. The province's profits were 83.8 percent more than in the same period last year. [Summary] [HK130931 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 8 Oct 83]

CSO: 4006/039

## ECONOMIC MANAGEMENT

### JIANGSU VICE GOVERNOR ON IMPROVING ECONOMIC RESULTS

OW240347 Nanjing XINHUA RIBAO in Chinese 15 Oct 83 p 1

[Excerpts] "The Situation in Jiangsu's Industrial and communications development this year has been generally satisfactory, production has been increasing steadily, and progress has been made in achieving better economic results. To fulfill, or overfulfill, the various production projects this year, and lay a good foundation for next year's production, it is most important that the unfinished tasks be accomplished." This was stated by Chen Huanyou, vice governor of Jiangsu, at the provincial planning conference, which closed on 13 October.

Comrade Chen Huanyou pointed out that the achievements in Jiangsu's industrial and communications development this year could be seen primarily in these four respects:

1. The speed in industrial and communications development was faster than anticipated. The value of total output recorded during the first 9 months was 12.4 percent higher than during the same period last year.
2. The quality of products improved, and the variety increased. Of the 54 products appraised by the province during the first 8 months, the quality of 42 types of goods was found better than in the same period last year.
3. There was an increase in revenue. The province's revenue during the first 9 months was 8.3 percent higher than for the same period last year.
4. The commodity market was brisk. Thanks to the development of industrial and agricultural production--especially the fairly big increase in the output of light industrial goods and textile products--plus the bumper agricultural harvest, the supply of most light industrial goods and textile products, as well as agricultural and sideline products, was higher than last year. It is expected that the total turnover of this year's retail sales will exceed that of last year by approximately 8 percent.

Comrade Chen Huanyou pointed out, however, that, although economic performance has improved, what had been achieved was not fully satisfactory, and there were still many weak links. For example, the supply and production of raw and semi-finished materials, fuel and power could not catch up with the needs in the

development of the processing industry; technical transformation of industrial and communications enterprises was not well organized and not scientifically planned, and progress was slow and the results were insignificant; the performance of many enterprises was also unsatisfactory and their technical and administrative operations were still quite outmoded. The vice governor said that all these problems must be resolved in the future.

Comrade Chen Huanyou urged everyone to pay special attention to current industrial and communications work, work hard to cut losses, make a profit and achieve significant improvement of economic results so as to be well prepared for next year's production. He also emphatically pointed out that industrial and communications operations must still focus on achieving better economic performance. He said that to achieve better economic performance in a broad sense, industrial enterprises must be restructured, reorganized or merged, and that all enterprises must consolidate their operations and carry out technical transformation. Currently, attention must be paid to the fourth quarter's production. In accordance with the demand of commercial departments and the market, we must properly plan this winter's and next spring's production and supply of commodities, especially those commodities needed during the New Year and the Spring Festival.

When the conference was in session, the guidelines it had laid down on the planning of the Shanghai Economic Zone were conveyed by a leading comrade of the provincial planning committee. The meeting also reviewed the opinions of various provincial departments and cities concerning the Seventh 5-Year Plan, made preliminary arrangements for 1984, and arranged the current industrial and agricultural production plans. The conference emphasized that, in future, particular attention must be paid to achieving better economic results, stepping up technical transformation, adopting advanced technology, developing intellectual resources, expediting the training of qualified personnel and ensuring the construction of key projects so as to build a good foundation for economic construction and economic revitalization during the next decade.

CSO: 4006/059

## ECONOMIC MANAGEMENT

### GUANGXI RALLY COMMENDS ECONOMIC PROGRESSIVES

HK121020 Nanning Guangxi Regional Service in Mandarin 1130 GMT 11 Oct 83

[Summary] The Guangxi regional rally to commend progressives in developing the collective and individual economy and arranging urban youths for employment opened in the hall of the regional people's government this morning. Attending the opening ceremony were Chen Huiguang, deputy secretary of the regional CPC committee; Shi Zhaotang, vice chairman of the regional people's congress standing committee; Gan Ku, vice chairman of the regional people's government; Lu Yannan, vice chairman of the regional CPPCC Committee; and (Mao Guobin), deputy commissar of the Guangxi Military District. The representatives of progressives who are engaged in the collective and individual economy feel very happy that they have come to Nanning to receive citations and rewards from the regional CPC committee and the regional people's government in recognition of their fine deeds.

"Since the third plenary session of the 11th CPC Central Committee, our region's collective and individual economy and work of arranging urban youths for employment have developed very quickly. According to statistics by the first half of this year, the whole region had arranged jobs for some 580,000 people awaiting employment and set up some 7,100 new collective enterprises. These enterprises made the output value of some 300 million yuan last year. Individual laborers throughout the region have numbered some 100,000 people, a 10-fold over 1979. The development of the collective and individual economy has played a very great part in enlivening the urban and rural economy and making things convenient for the masses' livelihood. Many of these enterprises and individuals have made outstanding results and have met with social praise."

(Pei Hetong), deputy director of the regional industrial and commercial bureau, presided over today's rally. Gu Ku, vice chairman of the regional people's government, delivered the opening speech. On behalf of the regional CPC committee and the regional people's government, he extended warm greetings to the rally and conveyed the regards of the regional CPC committee and the regional people's government to the workers and the masses of the collective and individual economy throughout the region.

Responsible comrades of the regional Federation of Trade Unions, the regional CYL, the regional Women's Federation, the regional China Democratic National

Construction Association, and the regional Industrial and Commercial Federation delivered congratulatory speeches. (Peng Hao), deputy director of the regional Labor Bureau, conveyed the spirit of the national rally to commend progressives in developing the collective and individual economy and arranging urban youths for employment and made a report entitled "Further Develop the Collective and Individual Economy and Create our Region's New Situation in Labor Employment."

CSO: 4006/039

## ECONOMIC MANAGEMENT

### CUIZHOU CALLS FOR CHANGING LOSSES INTO PROFITS

HK130510 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 11 Oct 83

[Summary] The provincial government recently issued a circular, calling on all enterprises suffering losses to change losses into profits in 2 years, or not later than 1985.

For many years, enterprises in the province have suffered heavy losses, directly hampering the improvement of economic results. In the first half of this year, the province made some achievements by raising economic results and reducing losses to a certain extent, but losses were still very serious with many enterprises suffering large losses. This was mainly due to incorrect ideas in business operations and the failure to genuinely shift the focus of our economic work to the orbit of raising economic results.

The provincial government has now called on all relevant departments to strengthen their leadership, take up responsibilities level by level, and grasp focus so as to revert within a certain time the situation of enterprises suffering losses. Those enterprises which make rapid achievements in changing losses into profits will be praised and rewarded and their staff and workers will annually be paid a bonus equivalent to 1/2 or 1 month of their wages, which should be drawn from the funds reserved by the enterprises. In those enterprises which fail to change the situation of suffering losses within a certain time, enterprises which suffer losses not covered by plan, and enterprises which once changed the situation of suffering losses but once again suffer losses, bonus should not be paid to the staff and workers and deductions should be made from their base salaries according to the actual situation.

Those principal leading cadres who make remarkable achievements in the work of consolidating enterprises and changing losses into profits may, if recommended by workers' congress and approved by higher authorities, be commended and rewarded. Those principal leading cadres who fail to carry out enterprise consolidation and fail to revert the situation of suffering losses within a deadline must voluntarily resign their positions and be relieved of their posts in their original units. They are not permitted to be transferred to other units to take up similar positions. Responsible departments of all enterprises should be rewarded or punished according to their work performance. If some prefectures, autonomous prefectures, cities,

and counties fail by 1985 to revert the situation of suffering losses due to poor business operations, principal responsible persons of the higher authorities should bear all responsibilities.

In connection with the matter, GUIZHOU RIBAO today published an editorial entitled: "Reverting the Situation of Enterprises Suffering Losses Is a Task That Brooks no Delay."

The editorial said: "Not long ago, the Ministry of Finance and the State Economic Commission jointly raised a mandatory target for reverting the situation of industrial enterprises suffering losses. It was demanded that the loss amount should be reduced by over 30 percent compared with last year." Enterprises which fail to fulfill the target for changing losses should have their reserved funds deducted accordingly. "It was also explicitly stipulated that those enterprises which have suffered heavy losses for many years must be closed, suspended, merged or shifted to other line, and a bonus should not be paid. The provincial people's government has also made some relevant stipulations."

The editorial pointed out: "The mandatory target is not to be haggled and should be resolutely carried out. Enterprises in the province have done a better job this year than last year in reverting the situation of suffering losses. However, by the end of August, 36.14 percent of the total enterprises still suffered losses with the amount reaching some 27.14 million yuan, a shocking figure."

The editorial emphatically pointed out: "Leading institutions must bear responsibility for the situation of enterprises suffering losses. From now on, we must be resolved to help enterprises change this situation and genuinely shift the focus of various work in enterprises to the orbit of raising economic results, thus upgrading the quality of all enterprises."

CSO: 4006/039

## ECONOMIC MANAGEMENT

### MEASURES TOWARD ENTERPRISES SUFFERING LOSSES

HK121514 Changsha Hunan Provincial Service in Mandarin 2310 GMT 11 Oct 83

[Text] On 10 October, the provincial people's government held a meeting of responsible persons from industrial departments, bureaus, and companies of all prefectures, autonomous prefectures, and cities, adopting resolute measures toward enterprises suffering losses and setting a deadline for them to turn their losses into profits. Six measures were adopted as follows:

1. Such enterprises as small nitrogenous fertilizer factories, small iron and steel factories, small textile factories, small porcelain factories, small cement factories, small machine building factories, small paper mills, watchmaking factories, and bicycle factories which have suffered losses for quite a long time due to poor business management, large energy consumption, and enormous waste, should be resolutely closed, suspended, merged, or shifted.
2. In enterprises suffering losses due to policy, the leaders of relevant departments and enterprises should be charged with the task of doing their utmost to improve business management so as to stop the enterprises from suffering losses, or have them suffer as few losses as possible.
3. The method of state ownership, collective operation, and each assuming responsibility for its own profits and losses should be adopted in those small state-run enterprises which have a fixed asset of less than 1.5 million yuan each and which manufacture marketable products but have suffered losses due to poor business management.
4. Those loss-suffering enterprises and loss amount which have emerged this year should not be acknowledged in the financial accounting.
5. A responsibility system of turning losses into profits should be established and goals for implementation should be made at all levels. Leaders who have set goals, whether they are from departments of various prefectures, autonomous prefectures, cities, or from various enterprises, should be dealt with according to concrete situations if they fail to fulfill the task of turning losses into profits. They will be dismissed from office, relieved of their posts, or have part of their bonus deducted. Those making

remarkable achievements in turning losses into profits will be commended and rewarded. In those enterprises which fail to turn losses into profits within a deadline, bonuses should not be paid to the staff and workers and promotions and wage increases should be suspended.

6. Leadership should be strengthened over the work of turning losses into profits. The whole province should make joint efforts to do a good job in turning losses into profits and to bring about a basic turn for the better in the financial and economic situation.

CSO: 4006/039

## ECONOMIC MANAGEMENT

### SHANDONG CONDUCTS ECONOMIC DISCIPLINE INSPECTION

SK130635 Jinan Shandong Provincial Service in Mandarin 2300 GMT 12 Oct 83

[Text] Weifang Prefecture, Shandong Province, recently carried out financial and economic discipline inspection to ensure the state's revenues. According to statistics compiled from the investigation data of 8 cities and counties and 10 prefectural level departments, their tax evasion, profits and stolen goods amounted to more than 8.6 million yuan as of now.

Cities, counties, and departments throughout the prefecture have attached great importance to consolidating financial and economic disciplines. During the inspection, all county heads and city mayors took personal charge of the activity. The prefecture transferred more than 4,100 personnel to this inspection activity and organized them into more than 400 inspecting groups.

According to statistics compiled at the end of September, 85 percent of units across the prefecture conducted self-inspection. These groups conducted selective inspection on major cases at 57 units. They have turned their inspecting work into reexamination in more than 100 units. According to incomplete statistics, problems in financial and economic work include illegally retaining the state's taxes and profits; being in arrears with taxes and profit payments; arbitrarily granting bonuses, foodstuffs, and subsidies; entertaining guests and presenting gifts; opening private saving accounts by taking advantage of power and position; arbitrarily apportioning expenses and receiving funds; and wantonly engaging in projects not in the plan.

At present, the prefecture is stepping up dealing with the discovered problems in line with the demands set forth by the State Council's emergency circular on strengthening the revenue increase and expenditure control so as to ensure a basic balance between revenues and expenditures this year. The prefecture is safely depositing all revenues which deserve to be handed over to the state. In line with the problems discovered in the inspection activity, the prefecture is helping enterprises establish or improve various regulations and rules to ensure the fulfillment of the state's revenues.

CSO: 4006/039

## ECONOMIC MANAGEMENT

### CIRCULAR ON STOPPING DEFICIT, LOANS ISSUED

SK170238 Jinan Shandong Provincial Service in Mandarin 2300 GMT 16 Oct 83

[Text] The provincial people's government recently issued a circular urging governments at all levels and all trades and professions to strive to increase income, cut expenditure, stop deficit, and increase profit in the last 3 months of this year, so as to ensure a financial balance and a balance between credit receipts and payments.

In order to increase revenue, the provincial government stipulated in the circular: Money-losing enterprises which fail to fulfill their plans to stop deficits and money-making enterprises which fail to fulfill their profit-delivery plans should have their profit retained for their own use for the year reduced by 10 percent. Enterprises which suffer deficit because of poor operation should be resolutely closed down, suspended, merged with other enterprises, or have their production converted if they are unable to stop the deficit within a definite time. Export of products which are not beneficial to the state nor to the social comprehensive economic results should be stopped. While doing a good job in increasing production and income and stopping deficit and increasing profit, all localities should strengthen tax collection and management, further improve tax collection from state, collective, and individual units, specialized households, and village trade fairs and collect all the taxes that should be levied in a timely manner and hand them over to the state.

In order to reduce expenditures and control money input, the provincial government also stipulated in the circular: This year's capital construction funds and loans for capital construction and for technical transformation measures should all be brought under the control of state plans. Loans for suspended or postponed projects should be stopped. If the loans have been issued but have not been spent, immediate action should be taken to check and recall them. From now on, no new times should be added to the expenditure list except for emergency items, such as disaster relief. The excessive amount of bonuses overissued or arbitrarily issued in violation of state regulations should be recalled. In addition, if the cases are serious, administrative personnel should be held accountable. Banks will not issue loans any more to enterprises which will definitely be closed down, suspended,

merged, or have their production changed and to enterprises which lose money and have used bank loans for a long time. Agricultural loans and loans for purchases which have become due or overdue should be called in as soon as possible.

The provincial government also stipulated that, beginning in October, a provincewide checkup should be conducted on tax payment, profit delivery, and financial matters to promote the work of increasing income and cutting expenditure.

CSO: 4006/039

## ECONOMIC MANAGEMENT

### XINJIANG HOLDS PRODUCTION MANAGEMENT MEETING

HK171255 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Oct 83

[Text] Today, the autonomous regional economic commission held a production management meeting to call on the factories, mines, and enterprises on Xinjiang's industrial and communications fronts to implement in earnest the spirit of the speech made by Premier Zhao Ziyang on his visit to Xinjiang and the spirit of the national forum on industry and communications, to make arrangements for production this fall and next spring, and to bring about a simultaneous increase in production value and economic results in order to make positive contributions to completely fulfilling the state plans.

The meeting asserted that, at present, in order to fulfill and overfulfill the state plans, all the factories, mines, and enterprises should strengthen leadership and enthusiastically adopt measures to do the work well in the following seven areas:

1. It is necessary to quicken the pace of enterprise consolidation and to strive to improve the quality of the enterprises.
2. It is necessary to make up deficits and increase surpluses in earnest, to reduce the number of enterprises which suffer losses, and to increase the number of profitable enterprises in order to ensure financial income.
3. It is necessary to do a good job of prevention of frost, heat preservation, and maintenance and repairs of facilities in order to be well prepared for production in the next year.
4. It is necessary to pay further attention to technical transformation in order to give impetus to the technical progress of the enterprises.
5. It is necessary to practice in earnest economy in energy use, to do the basic work for measuring energy resources, to strengthen the scientific management of energy resources, and to carry out comprehensively the energy-saving month drive.
6. It is necessary to strengthen production management and to adopt effective measures to ease the tense situation in energy resources and railroad communications and transportation.

7. It is necessary to pay close attention to educating the cadres and training the workers and to strive to improve the cadres' knowledge of management and the educational and technical levels of the workers in order to meet the needs of the construction and development of Xinjiang.

CSO: 4006/054

## ECONOMIC MANAGEMENT

### BRIEFS

GUANGDONG ENTERPRISES PAY TAXES--By the end of September, 1,357 state-run enterprises in 71 cities and counties in the province had practiced the system of paying taxes instead of delivering profits to the state, accounting for 77 percent of the total state-run enterprises in which the system should be practiced. These enterprises have paid a total income tax of some 110 million yuan to the state. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 11 Oct 83]

XIZANG PUBLIC FUNDS CIRCULAR--The Xizang Regional Discipline Inspection Committee recently issued a circular, reiterating that it is necessary to strictly prohibit people from spending public funds on indiscriminately giving dinners, prizes, and gifts. The circular points out that the CPC Central Committee and the regional CPC committee have issued many circulars on prohibiting people from spending public funds on indiscriminately giving dinners, prizes, and gifts. Many units in the region have seriously implemented the instructions. However, a small number of units have failed to do so. The circular emphatically points out that if this unhealthy trend is not resolutely curbed, it will cause the state serious losses, will corrupt cadres, and will degenerate party work style. CPC committees and discipline inspection committees at all levels, particularly leading cadres at all levels of the party, must pay close attention to this and improve party work style. [Summary] [Lhasa Xizang Regional Service in Mandarin 2340 GMT 7 Oct 81]

PRODUCT STANDARDIZATION PUSHED--Shanghai, 22 October (XINHUA)--Over 15,000 products of the metallurgical, machinery, meters, chemical, textile, pharmaceutical and light industries in Shanghai have reached international standards or that set by the state or specific trade lines, according to the municipal standardization and metrological administrative bureau. Product standardization is aimed to boost the spread of scientific achievements and technical exchanges with foreign countries, the bureau officials say. Thirty percent of the products of Shanghai's No 1 machinery bureau now meet international standards. The bureau's electric motors, cables, ball bearings and fasteners are sold on the world market. The power spring turned out by the Shanghai No 2 clock and watch parts factory has reached international standards and been appreciated by Swiss clock and watch firms. At present, 84 research organizations in the city are engaged in standardization work. [Text] [OW230952 Beijing XINHUA in English 0724 GMT 23 Oct 83]

JILIN DEFICIT CONTROL ACHIEVEMENTS--Jilin City, Jilin Province, has scored marked achievement in switching losses to profits among various enterprises this year. As of the end of September, 29 money-losing enterprises turned their losses to profits, scoring a 27.8 percent decrease of its total number of money-losing enterprises. Profits earned by the money-losing enterprises and money made up for deficits were worth 17,830,000 yuan, accounting for 83.4 percent of the city's total profit increase. [Excerpts] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 15 Oct 83 SK]

HENAN ECONOMIC INVESTIGATION GROUPS--The Henan economic committee has drafted a plan for investigating the situation in economic results. The committee has organized 205 people from provincial organs into 43 investigation groups. On 10 October, led by (Geng Mingyuan), vice chairman of the economic committee, the investigation groups went to prefectures and cities, including Kaifeng, to conduct penetrating investigation in key trades and industrial and communications enterprises. The period for investigation will be one-half month. All prefectoral and city economic committees must also conduct investigation and study and must seriously investigate the situation in economic results in trades and enterprises. [Summary] [HK191434 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 16 Oct 83 HK]

SHANDONG DEFICIT-CONTROL ACHIEVEMENTS--According to statistics compiled at the end of September, Jining Prefecture, Shandong Province, scored marked achievements in changing losses to profits among state budget plan. The number of money-losing enterprises was reduced by 51 percent as compared with the figure of the corresponding 1982 period. The total deficit declined by 61.4 percent. The 25 industrial enterprises that suffered losses in 1982 have succeeded in changing losses to profits. [Excerpt] [SK240157 Jinan Shandong Provincial Service in Mandarin 2300 GMT 19 Oct 83]

CANSU ENTERPRISES REDUCE DEFICITS--The number of industrial and communications enterprises which incurred losses dropped from 204 in September last year to 100 in September this year. The actual amount of losses dropped from 76.05 million yuan in September last year to 35.96 million yuan in September this year. [Summary] [HK21151t ...zhou Gansu Provincial Service in Mandarin 1100 GMT 18 Oct 83]

CSO: 4006/059

## FINANCE AND BANKING

### LIAONING RIBAO ARTICLE ON TAX REVENUE

SKI20926 Shenyang LIAONING RIBAO in Chinese 22 Sep 83 p 1

[Commentator's Article: "Review Tax Revenue and Collect Taxes According to Law"]

[Excerpt] Generally speaking, our province's situation on tax revenue has been good in recent years. But the problem of excessive tax evasion still exists in most areas and this problem is quite serious in some places. An investigation by a department concerned shows that at present, about 40 percent of industrial and commercial enterprises evade taxes; only one third of agricultural trade markets and individually-run businesses deliver taxes, and, in particular, tax evasion is more serious in rural areas. Due to the rather short supply of provincial local financial resources, many urgently needed projects cannot be developed. The money which should be collected cannot be. Such a situation must not continue any longer. Otherwise, local finance will be confronted with difficulty. In addition, if we fail to check the trend of tax evasion and the practice of being in arrears with tax payments, such ideas and practices as seizing every chance to gain advantage by trickery, gaining extra advantage by unfair means at the state's expense and undermining the foundation of socialism will certainly grow and spread. Such ideas and practices will pollute the party style and the social conducts and will endanger the state and the people.

Our country's tax revenue is collected from the people and used by the people. This conforms to the basic interests of the people. Therefore, delivering taxes according to law is an unshirkable duty of every taxpayer to the state and the people. Of the total tax revenue, over 90 percent are collected from the state and collective enterprises. Being the most principle bearer of taxation, such enterprises should take into account the whole situation and set an example in delivering taxes in full and on schedule. Such ideas and practices as merely seeking more profits but being unwilling to deliver taxes and trying to get more bonuses but pay fewer taxes are totally wrong and deviate from the socialist line. A few people have gone so far as to use various fraudulent means to evade or dodge taxes. Such people should be criticized and educated, and a specific deadline should be given for them

to pay overdue taxes. Those who deliberately violate regulations and refuse to mend their ways despite repeated admonitions should be strictly punished. Those who beat and injure tax collectors and assault and harass tax organs must be punished according to law and should never be let alone.

Our province has decided to conduct a provincewide tax survey beginning this month. Attention will be focused on the problems of tax evasion, delayed tax payments, and resisting tax payments. This survey is very necessary.

CSO: 4006/039

**FINANCE AND BANKING**

**BRIEFS**

**JILIN CITY TAX REVENUE**--Jilin City, Jilin Province, has set a record in industrial and commercial tax revenue. By the end of September, the city fulfilled the annual target for industrial and commercial tax revenue by 82.3 percent, an increase of 16.7 percent over the corresponding 1982 period, and increased revenue by 31.41 million yuan, outstripping the growth rate of the total city industrial output value. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 16 Oct 83 SK]

**HEILONGJIANG TAX COLLECTION**--As of 10 October, Heilongjiang Province had fulfilled 78.7 percent of its annual tax collection target, showing a 14.9-percent increase over the corresponding 1982 period. In terms of comparable items, the increase was 4.8 percent, or 84.23 million yuan. [Excerpt] [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 17 Oct 83 SK]

CSO: 4006/054

## INDUSTRY

### RENMIN RIBAO ON TECHNICAL TRANSFORMATION PLANS

HK071157 Beijing RENMIN RIBAO in Chinese 30 Sep 83 p 5

[Article by Liu Jington [0491 2529 1749] and Zheng Xinli [6774 2450 4539]: "A Long-range Overall Plan Is Required for Technical Transformation--Several Questions on Drawing Up an Overall Technical Transformation Plan With Reference to the Case of Anshan Iron and Steel Company"]

[Text] At present, technical transformation is being gradually conducted in some key industrial and communications enterprises all over the country. Concentrating strength on doing a good job of the overall technical transformation plan of enterprises so that every enterprise can have a long-range rational development objective is a question which should be, above everything else, solved satisfactorily when technical transformation has been put into effect as a whole. We can gain a good deal of useful enlightenment from the course of the Anshan Iron and Steel Company's drawing up of an overall technical transformation plan.

#### Without A Good Plan, Everything Will Be in a Muddle

Making a success of the technical transformation of old enterprises, and in particular, large-sized key enterprises, is certainly no easy job but on the contrary, is a complex and arduous task. This is because: Different from new enterprises in that they are undertaking the heavy production tasks, old enterprises cannot be completely replaced with new ones and also cannot reduce production for the sake of conducting technical transformation; to stride forward toward modernization, quite a few old enterprises with problems accumulated over many years should undergo a major operation and patching them up will not do in this respect; all kinds of complex relationships should be handled well in the course of transformation and to do so will require a greater effort; and technical transformation should be conducted in line with the readjustment of product mix, the reorganization of specialized departments and specialized production, the elimination of environmental pollution, and the rational layout of the regional economy and the relationships among all sides and quarters concerned should be properly handled. All this has added greater difficulties in technical transformation work. At present the number of enterprises calling for transformation is quite large. Without a well-conceived and scientific overall plan with due consideration for all concerned, and without stress being laid on planning, technical transformation will inevitably be in a muddle and will be

unable to form a comprehensive production capacity and thus the transformation projects will not have the capability of rapidly producing beneficial results. This will not only prevent us from attaining the anticipated objective but also cause losses and waste which could be entirely avoided. The problem at present is that a considerable number of comrades have an inadequate understanding of this matter.

One manifestation of this is that drawing up an overall technical transformation plan is not regarded as essential. Some comrades stress that we have for many years drawn up numerous plans on many occasions, such as 5-year plans and arrangements for 5-year endeavors but finally, they were all pigeonholed, with only a few being carried out. Other comrades even equate planning to high targets and bragging and consider planning to be "drawing cakes to allay hunger," and thus they have a cynical and bored attitude toward it. They fail to see that the fundamental reason for the failure to implement the previous plans lies in lack of correct guiding ideology rather than in the drawing up of plans and also in the fact that the previous plans were divorced from China's national condition and the realities of enterprises, thus becoming fond subjective dreams. Therefore, one fundamental thing to be followed in drawing up a technical transformation plan this time is that we should draw up a feasible overall plan in the light of the actual conditions of the state and of enterprises and on the basis of making a sound analysis of the present conditions and possibilities.

Another manifestation is that some departments and enterprises are only keen on arranging undertaking items and contending for more investment undertakings. At the mention of conducting technical transformation, they "promptly responded to it" and rushed into mass action in an unplanned way, and without a long-range plan; they carried out the present production perfunctorily and undertook transformation projects which were not well coordinated, in an off-and-on manner. Hastily drawing up a plan is nothing but a means of asking the higher-ups to approve the undertaking items required and of contending for more investment undertakings. Transformation conducted in this way will not only gain half the result with twice the effort but also cause losses and waste which are hard to make up for.

Recently, the Anshan Iron and Steel Company has, after having summed up historical experience in real earnest, clearly put forth five guidelines for drawing up plans: In accordance with the principle of being advanced, rational and economic and on the basis of having conducted full feasibility studies and repeated deliberations, we should draw up an overall technical transformation plan for the "Sixth and Seventh 5-Year" plan periods respectively and lay a foundation for the development in the next 10 years; we should take the improvement of quality, the development of product varieties, the reduction of consumption (in particular, the consumption of energy), and the control of pollution as priorities, with meeting the demands of the national economic development for steel products as the prerequisite and the attainment of better economic results as the center; we should make full use of existing equipment to carry out equipment replacement and transformation and conscientiously carry out the intensive expanded reproduction hand in hand with reorganization, tapping of potential, and reform work; in the light of the actual needs of technology and production, we should adopt a principle of letting multi-layer techniques co-exist simultaneously and neither stick to old ways nor go in for everything foreign; and

in conducting technical transformation, we should rely basically on the funds raised by enterprises independently, not reduce production in the course of transformation, and while not increasing the energy supply for metallurgical plants, we should ensure an increase in their production year after year, in the supply of billets allocated for transfer to other places as scheduled, and an increase in the profits and taxes to be delivered to the state. If these principles put forth by the Anshan Iron and Steel Company concerning technical transformation are correctly implemented, they will assuredly produce good results.

#### The Transformation Plans of Enterprises Must Be Brought Into Line With the Development Plans of Trades and Regions

Enterprise is an organic component part of the national economy. Only when we proceed from the needs and capabilities of the national economy can we define the rational objective of technically transforming enterprises. Therefore, the technical transformation plans of key enterprises must be brought into line with the development plans of trades and regions in accordance with a unified state plan. The plan of an enterprise provides the foundation for the state, trades and regions to formulate their plans, and the plans of the state, trades and regions constitute the basis of the plan of an enterprise. Setting up such a complete planning system provides the basic condition for ensuring that the technical transformation of enterprises can be carried out in a guided, step-by-step, and orderly manner.

As far as the technical transformation plans of enterprises are concerned, what problems should the plans of trades and regions solve? According to a survey of the Anshan Iron and Steel Company, they are mainly as follows:

##### In regard to the plans for developing trades:

1. It is necessary to plan the orientation of products and the scale of production for enterprises. Most of the products of large-sized key enterprises are materials subject to state unified allocation and distribution, which are vital to the national economy and the people's livelihood. Therefore the product orientation of these enterprises must be planned by the state as a whole in accordance with the needs of development of the national economy and the capabilities of the equipment of enterprises, so that all enterprises' product orientation and division of labor can be determined, the rational proportions of the internal departments of trades can be ensured, and the enterprises can develop in the direction of specification and high efficacy. Enterprises must follow the unified arrangements set in the plans of trades. The scale of production of an enterprise must be checked and ratified in a fact-finding manner, giving consideration to its present condition and its possible development to be achieved in cooperation with other enterprises. As for the weak links in the internal departments of an enterprise, if the specific enterprise does not have the conditions for solving them, it is encouraged to solve them in conjunction with nearby enterprises of the same trade through economic contracts.

2. It is necessary to have policies on the technology and equipment of trades. They mainly involve the rational utilization of natural resources; the develop-

ment of new techniques and new technologies and the replacement and upgrading of products, and the digestion, development, and popularization of the imported technology; the defining of unified technical standards for products in light of international standards, the issuing of production certificates of inspection, and the standardization, serialization, and generalization of products; the defining of technical and economic targets and various quotas in accordance with the principle of average advanced standards; the readjustment of the organizational structure of the internal departments of the large-, medium-sized, and small enterprises of the same trade; the formulating of rational policy on technology and equipment; and so on. All this will thus rapidly raise the level of technology and equipment and swiftly help our products come up to world standards.

3. It is necessary to have clear and definite plans and measures for developing trades. In accordance with the development objectives for whole trades, we should draw up the overall plan whose objectives are to be attained by stages and also, the measures which ought to be taken and put forth the definite tasks and concrete demands of the transformation of enterprises with the aim of supervising and inspecting their implementation. The measures of trade planning must include the early-phase preparatory work of the technical development by whole trades, such as paying close attention to the scientific research projects which are of great significance for the development of trades and organizing forces to tackle key technical problems in the spirit of cooperation. While determining the importing of certain technology for the specific trade, it is necessary to plan the work of digesting and developing the imported technology on the part of the scientific research, design and manufacturing units and those units which use the imported technology. Efforts should be made to set up economic and technical intelligence and advisory centers, which serve enterprises. In addition, further attention must be paid to combining the development of main technology with mass innovation activities and to making great efforts to tap the inner potential of enterprises.

4. It is necessary to set the requirements for raising the management level of the specific trade. Generally speaking, compared with the backwardness of technical level, the present management work seems to be even more backward. To realize scientific management, first we must augment the groundwork of management, install and perfect metrological control facilities as quickly as possible, and work out a unified report form so that we can have complete and accurate original records and statistical data, and we must define the responsibility system to be instituted in the departments of trades at various levels. At the same time, in light of our own conditions and capabilities, we must make use of electronic computers to gradually modernize our management methods.

In sum, the management of trades must be freed from the day-to-day odd jobs in the administration of production and shifted to the formulation and implementation of the principles and policies of the development of the specific trade so as to guide enterprises in developing in a correct direction. In regard to the transformation of an enterprise, we must not only proceed from the actual conditions of the enterprise but also give consideration to the needs of trades. It must be conducive to the harmonious development of trades.

In regard to the plans for developing regions:

The questions which the transformation plans of enterprises require the plans of regions to solve and the question of making these two kinds of planning dovetail are mainly problems of how to provide related complete service and how to conduct comprehensive utilization around key state enterprises, and how to build priority industries with distinctive local characteristics and do a good job in striking an overall balance between energy on the one hand and transport and communications on the other hand. Besides the Anshan Iron and Steel Company, in Anshan there are broad prospects for the development of the building material industry with waste residues and tailings as its raw materials, of the chemical industry with waste gas and waste materials as its raw materials, and of the metal processing and waste steel processing industries with steel products as their raw materials. Developing these derivative trades in accordance with the characteristics of local resources is not only conducive to opening up more revenues of employment and promoting the prosperity of the regional economy but also conducive to solving the pollution problem of the Anshan Iron and Steel Company, to more rationally utilizing natural resources, and to changing waste material into things of value. Hence the question arises concerning the readjustment and reorganization of the relationship between local industries and large-sized enterprises.

Another question which is to be solved by regional plans is how to put an end to the state of "an enterprise runs social affairs" and to gradually socialize service work so that enterprises can free themselves from social affairs and concentrate strength on effectively grasping production and construction. Moreover, enterprises must support the construction of municipal works in funds and materials as required.

Apart from asking regional plans to help solve the related problems, the transformation plans of enterprises must submit to the unified development plans of regions or key cities. In particular, some comprehensive big and medium-sized cities must draw up an overall plan for the development of various local industrial departments and of scientific and technical, educational, cultural and tourist undertakings in the light of local natural resources, transport and communications, and power supply and in accordance with the requirements of state plans. Only when the transformation of enterprises is integrated with the transformation and development of cities as a whole, and is consciously submitted to the unified requirements of cities for the tackling of problems concerning the environment, the construction of municipal works, and the distribution of the productive forces can the smooth progress of transformation be ensured and can a marked change be brought about in the face of the transformed enterprises and cities.

#### We Must Adopt a Multi-layer Technical Structure and Comprehensively Raise the Technical Level of Enterprises

What techniques we should use to transform old enterprises is the crucial question of technical transformation. In his speech delivered at the national meeting for encouraging and rewarding scientific and technological achievements, Premier Zhao Ziyang pointed out: Through technical transformation, key enterprises must reach the technical level which the industrially developed countries attained in the 1970's and early 1980's. This represents the overall objective.

To attain this objective, it is necessary, in the light of the actual conditions of enterprises, to weigh needs and capabilities, make a realistic and practical analysis of various links, and define the concrete demands for the technical level of enterprises. First of all, with regard to main links and key positions, advanced and even the most advanced technology should be adopted; as for general positions or auxiliary facilities, relatively advanced technology should be applied in the light of concrete conditions; and as far as the positions which have not yet constituted a hindrance to the overall situation for the time being are concerned, some considerably backward technology is allowed to be preserved. Thus generally speaking, the world standards of the 1970's and early 1980's can be attained and production can be carried out in accordance with the requirements of the world standards of products. In a word, whether advanced technology should be applied, depends on the situation. By no means should we concentrate on the application of the latest technology in all fields of production.

In the course of drawing up a technical transformation plan, the Anshan Iron and Steel Company paid attention to further objectifying the principles concerning the adoption of a multi-layer technical structure. Their main methods for doing so as follows: As for the key equipment and main technology which have a bearing on product quality and energy consumption, it is necessary to adopt, as far as possible, the advanced technology which has been widely applied abroad. Concerning the existing relatively backward main production equipment, so long as it can meet the requirements of product quality and variety through proper improvements, and produce better economic results, it should not necessarily be replaced by modern advanced equipment. With regard to general auxiliary equipment, it is necessary to adopt suitable advanced technology in the light of concrete conditions. If it, or they, can be remedied by minor innovations and transformations, no big operation should be performed in this respect.

#### **In the Course of Formulating and Implementing a Plan, a Good Job Should Be Done in Striking an Overall Balance**

In carrying out the technical transformation of enterprises, we must upset the old balance in production and augment weak links so as to achieve a new balance on the basis of new technology. This is more important to large-sized combined enterprises. In the course of formulating and implementing a plan, we must pay attention, from beginning to end, to organizing well the balance relationship among various fields of endeavor.

First, the balance between the different working procedures of production process.

Only when all working procedures of a large-sized enterprise with serialized production are closely dovetailed and well coordinated can its comprehensive production capacity be enhanced.

Second, the balance between transformation and production.

Technical transformation and production influence and condition one another. The development of production must rely on technical transformation and the

funds for technical transformation are accumulated by relying on the development of production. Therefore, in the course of transformation, we must not reduce production and in particular, the output of, or the variety of products under state unified distribution. However, in transforming existing production equipment, it is impossible to completely avoid interfering with production. The problem is how to avoid interfering with production as little as possible and how to offset the influence of such interference on both partial and whole production activities. For this, aside from carrying out transformation by making use of the opportunity of overhauling and repairing equipment, we must have adequate measures to ensure production.

Third, the balance between key and general transformation projects.

Fourth, the balance between the transformation of principal equipment and that of auxiliary facilities.

Although the position and role of principal equipment and of auxiliary facilities in the production process are not the same, none of them can be dispensed with. Therefore, while making a success of the transformation of principal equipment, attention should be paid to the corresponding transformation of auxiliary facilities so that they can form a complete set of equipment and the role of various kinds of equipment can be brought into full play.

Fifth, the balance between the immediate and long-range development.

In the course of technical transformation, the relationship between the short-term and medium- and long-term development should be satisfactorily handled. Every transformation project must give consideration to its further future development. In particular, as far as the overall distribution is concerned, it is necessary to rationalize through the transformation of technological process, the distribution of production equipment and auxiliary facilities as far as possible, and to try hard to avoid the making of a new irrational distribution of them.

A plan must ensure its continuity and serious purpose. Once a plan is approved, it should be resolutely implemented. Of course, this does not mean that a plan must be kept immutable in the course of its implementation. Any medium- and long-term plan should be readjusted and replenished as required in the annual plan in the annual plan. When drawing up a plan, further attention must be paid to fully allowing for unforeseen circumstances so that the fulfillment of the tasks of technical transformation can be ensured.

CSO: 4006/059

INDUSTRY

XINJIANG HOLDS MEETING ON INDUSTRIAL PROBLEMS

HK110155 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 10 Oct 83

[Excerpts] The Xinjiang Regional People's Government convened its second plenary meeting today. Vice Chairman Song Hanliang conveyed the spirit of the recent national industry and communications work forum. Regional CPC Committee Standing Committee member Zhang Sixue made a speech.

The meeting held: At present industrial output in the region is rising steadily, and economic results have improved somewhat. An excellent start has been made in technological transformation, and enterprise consolidation is developing healthily. The main existing problems are that the foundation of the enterprises is weak, their management is backward, and technical standards low, the work of carrying out production in a civilized environment is poor, and the progress of consolidation work is uneven.

The meeting stressed: We must regard improving economic results as the main direction for attack in the region's economic work, and overcome tendencies that still exist in guiding ideology of attaching more importance to output value and growth rate and little to economic results. The leaders at all levels must correct their guiding ideology. Through carrying out enterprise consolidation, we should shift all work onto the track of focusing on improving economic results.

Regional Vice Chairman Tian Zhong presided at the meeting today and made a speech.

CSO: 4006/039

## INDUSTRY

### NEI MONGGOL INDUSTRIAL ENTERPRISES OVERFULFILL PROFIT PLAN

SK211050 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 20 Oct 83

[Text] According to JINGJI RIBAO [ECONOMIC DAILY], by the end of September, industrial and communications departments in the Nei Monggol Autonomous Region overfulfilled the annual profit delivery plan by 25.6 percent, 3 months ahead of schedule.

In the first half of the year, industrial and communications departments in the region organized 220 inspection groups composed of 1,100 competent cadres to stay at 39 large- and medium-sized key enterprises to help them conduct consolidation. As of now, 25 of these enterprises have been approved. Through the consolidation, the quality of these enterprises has been improved and their economic results been raised. In the January-September period, their industrial output value increased by only 10.4 percent over the corresponding 1982 period, but their profit increased by 32.1 percent.

In the course of changing deficits to profits, industrial and communications departments in the region have concentrated on the 13 key moneymaking enterprises. As a result, the profit volume of these enterprises in the first 9 months of this year made up 70 percent of the total profit volume of industrial and communications enterprises across the region, and the taxes and profits delivered to the state by these moneymaking enterprises amounted to 46 percent of the total. At the same time, industrial and communications departments in the region have formulated policies to encourage money-losing enterprises to reverse their deficits. As a result, the total deficit of money-losing enterprises was reduced by 15.5 percent from the corresponding 1982 period and the proportion of moneylosing enterprises decreased from 42.8 percent to 28 percent.

CSO: 4006/059

INDUSTRY

BRIEFS

NORTHWEST IRON, STEEL CONFERENCE--The 6-day conference of Gansu, Qinghai, Ningxia, Shaanxi, and Xinjiang on recovery of iron and steel scraps ended in Urumqi on 7 October. The conference was held by the northwestern areas management office of the State Bureau of Supplies. Some 165 persons of departments of metal recovery under the commercial and goods supply departments from Gansu, Qinghai, Ningxia, Shaanxi, and Xinjiang and from the state's principal iron and steel plants attended the conference. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 10 Oct 83]

SHAANXI PETROCHEMICAL PRODUCTION--Petrochemical enterprises in Shaanxi Province have done well in grasping consolidation since the beginning of this year and have endeavored to raise their economic results. By the end of September, they had overfulfilled their 1983 production quota ahead of schedule. The gross industrial output value, the amount of profits made, and the amount of profits submitted to the state were 30 percent, 63.5 percent, and 81.4 percent more, respectively, than in the same period last year. [Summary] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 14 Oct 83 HK]

SHENZHEN BUILDS MORE FACTORIES--By the end of the third quarter of this year, the Shenzhen Special Economic Zone has completed and put into operation 31 new electronics, machine-building, chemical industry, plastic works, and optical meters and apparatus factories. In addition, another 29 new factories are being built. The large number of factories which have been put into operation will enable the Shenzhen Special Economic Zone to enhance its industrial capacity and to increase the output value and profits of its industrial production. By the end of the third quarter of this year, the industrial and communications departments directly subordinate to the special zone have created a total output value of more than 135 million yuan, an increase of 65.1 percent over the same period in 1982. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 18 Oct 83 HK]

CSO: 4006/054

## CONSTRUCTION

### BRIEFS

ZHEJIANG CARGO WHARVES--Since 1981, the Zhejiang Provincial People's Government has appropriated some 6 million yuan to aid the construction of Wenzhou Harbor. Six new cargo wharves have been built at this harbor in the past 2 years. The wharves, capable of accommodating freighters of 500-1,500 tons, have greatly added to the harbor's cargo-handling capacity. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 9 Oct 83 OW]

HEILONGJIANG NEW AIRPORT--The construction of the Heihe civil airport began in late September 1983. It is planned that all airport facilities and earthwork will be completed prior to the end of 1983, and the airport will be put into operation in 1984. The construction of the Heihe Airport will play a significant role in speeding up economic construction in the border areas of Heilongjiang Province and in developing trade and transport. [Excerpt] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 18 Oct 83 SK]

HEILONGJIANG HIGHWAY BRIDGE CONSTRUCTION--The (Jiangyinhe) Highway bridge that is located in the border area of Heilongjiang Province is finished. It was recently checked and accepted as fine quality by the Ministry of Communications. The bridge is covered by the state plan for key construction projects and is 105.6 meters long and 8 meters wide. The No. 1 construction team of the Yichun City highway administrative section, which was in charge of the construction, has prefulfilled its construction plan by 10 days as of 20 September. [Summary] [Harbin Heilongjiang Provincial in Mandarin 1100 GMT 15 Oct 83 SK]

SHENZHEN HELICOPTER LANDING PAD--Shenzhen's helicopter landing pad was formally opened for use on 17 October. Yesterday, Liang Xiang, mayor of Shenzhen, Vice Mayors (Zhou Jiwu) and (Zhou Xipei), and other responsible comrades flew in a Dolphin helicopter to inspect the facilities of the landing pad. All the facilities of the landing pad proved to be completely up to requirements. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 18 Oct 83 HK]

**YUNNAN CAPITAL CONSTRUCTION CONTROL**--Since the end of July, the province has taken effective measures to control the scope and scale of capital construction. By the end of September, the province had stopped and delayed the construction of 256 projects, cutting down a total of 129 million yuan in investment. In order to implement the instruction issued by the central leadership on controlling the scope and scale of capital construction, the province has taken the following four measures: 1) Construction of projects not covered by the plan should be stopped without exception; 2) except for those projects of energy, transportation and education, the construction of which should be submitted to the provincial Planning Commission for approval, all other projects which were originally covered by the state plan but have not yet been started should be stopped; 3) no new projects should be examined or approved; and 4) the responsibility system should be practiced in projects under construction. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 16 Oct 83]

CSO: 4006/039

FOREIGN TRADE

BRIEFS

GUANGDONG COMPANY IN HONG KONG--Over the past year, the Guangdong Water Conservancy and Hydroelectric Power Engineering Development Company, Limited has quickly developed its business in Hong Kong. It has put in tenders for 85 projects and has now signed contracts for 14 projects, of which 11 have commenced. The total amount of the projects reaches some 600 million Hong Kong dollars. This company, established in 1981, is a Guangdong organization located in Hong Kong. It is vigorously creating conditions for developing business and signing contracts for some projects in other places and countries abroad.  
[Summary] [HK191457 Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 17 Oct 83]

CSO: 4006/059

## LABOR AND WAGES

### GRASS ROOTS TRADE UNION IN TIANJIN EXAMINED

OW241230 Beijing XINHUA in English 1137 GMT 24 Oct 83

[ "How A Chinese Grass-roots Trade Union Works"--XINHUA headline]

[Text] Beijing, 24 October (XINHUA)--The trade union of a Tianjin Construction Corporation was commended as an advanced grass-roots union by the ongoing national trade union congress for successfully organizing workers participating in enterprise management through workers' congress.

Tianjin No 6 Construction Corporation trade union President Wang Xizhou attending the trade union congress today told the delegates how the workers heightened their sense of responsibility, helped improve the corporation's economic performance and solved many problems affecting their lives.

In this regard, the trade union played an indispensable role, he added.

The construction corporation, he said has some 7,000 building workers. Their job is to rebuild the living quarters of North China's biggest port city, which the destructive 1976 Tangshan earthquake had also affected.

Changes began in 1980, when the corporation, the speaker reported, was riddled with such problems as chaotic management, poor quality, huge waste and a series of accidents. A local newspaper criticized the housing under construction as "an endless construction period of time" and "a bottomless hole" for investment.

The trade union council took the initiative to call a workers congress in November 1980. The corporation manager, deputy managers, chief engineer and chief accountant all reported on their work and expressed their willingness to listen and accept responsibility. The 60 representatives of the workers said the leaders ignored scientific management methods and building safety measures, always using "fire-fighting" methods to get a job done. They made many practical suggestions. This shook the management up and they promised to work better.

"So many workers wanted to air their views that the congress had to be extended another day," Wang Xizhou said. The congress had also served as a turning point in rousing the workers' enthusiasm. The result was that the corporation caught up and fulfilled its year's production quota.

The next worker's congress was in January 1981. The question was enterprise consolidation, an important task in the nationwide economic restructuring. The congress adopted a series of decisions, including the job responsibility system, regulations on rewards and punishment, measures to strengthen labor discipline and improve the workers' living conditions. Towards the end of the year, all the economic and technological norms had surpassed the highest level in the corporation's 30-year history.

"In a municipal competition for quality projects, our corporation won eight of the 12 championship banners," the T.U. president said.

In the last 2 years the congresses have concentrated mainly on restructuring and improving the corporation's economic performance.

In 1982 the corporation completed 280,000 square meters of housing, 51.8 percent more than in 1980. "This year we are going to complete 330,000 square meters, roughly equivalent to building 100 six-storey four-entrance living blocks," he said.

Nowadays, almost all important questions involving production plans and workers' welfare are discussed at the workers congress. People of one district presented the corporation with a marble block inscribed "meticulous construction for the welfare on the people" and had it inlaid in the wall of a building the corporation worked on.

To give full scope to the initiative and enthusiasm of workers as masters of the enterprise and to improve the corporation's economic benefits, the trade union organized a discussion among the young workers on the theme "Suppose I Am Building This House for Myself." Many young workers began to study hard to improve their skill and observed labor discipline better. As a result, 1,075 workers were commended as advanced workers and 516 as skilled hands.

Wang Xizhou, 55, is a former carpenter who takes pride in the fact that the union shows constant concern for the legitimate rights of the workers.

In 1981, the corporation's trade union signed a contract with the management that the union has the right to supervise workers' safety and halt dangerous operations. They criticized a team leader for ordering two workers to work under a hoist lifting prefabricated panels. "We have stopped or corrected improper treatment of workers on seven occasions in the past 2 years," Wang said.

"Trade union should speak out for the workers, serve their interests and help them," Wang Xizhou said.

In the past few years, the No 6 corporation has constructed 28,000 square meters of housing for its workers and nearly 1,000 workers families have moved into new flats. There were still some workers in need of housing. The union suggested to the management to give subsidies to 83 workers families to improve their housing conditions.

Trade union leaders visited the marriage introduction office, factories and a department store to help young building workers find marriage partners. This helped 70 couples get married last year.

The corporation's trade union organizes the workers to improve their working and living conditions by their own efforts. In addition to setting up dining rooms, kindergartens, shower facilities and clinics at every construction site, the trade union organized the workers into 135 mutual-help groups in such areas as house repairs, bicycle maintenance, tailoring and mending, furniture-making, and hair-cutting.

China has 430,000 trade unions at grass-roots level across the country with 73.3 million members. Some 100 grass-roots unions are to be commended at the trade union congress for their good work.

CSO: 4020/017

## LABOR AND WAGES

### MORE WORKERS UTILIZE TRADE UNION-RUN REST HOMES

OW130430 Beijing XINHUA in English 0256 GMT 13 Oct 83

[Text] Beijing, 13 October (XINHUA)--More than 1.3 million Chinese workers have spent some time in sanatoriums or rest homes run by trade unions and enterprises since 1979. According to the all-China Federation of Trade Unions (ACFTU).

In the past 5 years, trade union councils of nearly all provinces, municipalities and autonomous regions have reopened 130 sanatoriums and rest homes with 30,000 beds that were closed during the "cultural revolution" (1966-76), an ACFTU spokesman said. In addition, local industrial departments, factories and mines have opened 700 new sanatoriums and rest homes.

"Since 1979, the state has earmarked 176 million yuan to build these convalescent facilities run by the trade unions, the spokesman said.

Many are located at seaside resorts such as Beidaihe and Dalian, or at scenic spots like West Lake in Hangzhou, Taihu Lake in Jiangsu Province, Jingpo Lake in Heilongjiang Province, Lushan Mountain in Jiangxi Province, Huangshan Mountain in Anhui Province and mineral springs near Xian, Shaanxi Province.

The spokesman said that workers who need medical attention for chronic ailments such as arthritis or persons convalescing can spend two or three months in sanatoriums, where there are doctors and nurses and medical equipment. All sorts of physiotherapy are available, and also acupuncture and massage.

"Medical workers also give lectures on hygiene and treatment of chronic or occupational diseases to help keep the workers fit," he added.

Sanatoriums have clubs where workers can play chess, cards or other games and see films and TV shows. They also take part in organized activities like walking, jogging, mountain climbing, swimming and taijiquan--traditional Chinese shadow boxing.

Rest homes are mainly used as vacation spots. Workers who qualify, such as model workers, advanced technicians or veteran workers, stay for 15 to 20 days. There are recreational facilities as well as organized tours to nearby scenic spots or spots of historical interest, the spokesman explained. "Workers at both sanatoriums and rest homes continue to draw full pay and are entitled to free medical service and subsidies for food and travel expenses."

## LABOR AND WAGES

### BRIEFS

TRADE UNIONS FLOURISH--Beijing, 12 October (XINHUA)--Trade union organizations have been set up in industrial enterprises in all provinces, cities and counties in the past 5 years since the Ninth National Trade Union Congress in 1978. At present there are 433,000 trade union organizations at the grassroots level, 32 percent more than in 1979. These organizations have 73.3 million members in 5,479,000 groups, 256,000 cadres and 9.3 million activists. In addition to the cadre school of the all-China Federation of Trade Unions, there are 26 trade union cadre schools at the provincial level and 23 such schools at city level. Short-term training classes have been run by more than 40,000 trade union organizations. From 1979 to the end of 1982 the cadres' school of the all-China Federation of Trade Unions trained 4,900 trade union cadres and the provincial and municipal schools trained 72,000 cadres. Such training has raised the theoretical, managerial and professional standards of trade union cadres. [Text] [OW121015 Beijing XINHUA in English 0838 GMT 12 Oct 83]

CSO: 4020/017

## TRANSPORTATION

### BRIEFS

SICHUAN AIRPORT EXPANSION--Chengdu, 25 Sep (XINHUA)--Shuangliu Airport, an air transport hub in southwest China, has been expanded and was put into service today. Situated in Chengdu City, the expanded airport, with bigger runways and updated equipment, can now serve bigger planes such as Boeing 707. Passenger capacity is expected to increase by over 20 percent and cargo handling capacity will go up sharply, the airport officials said. The airport serves 31 air routes linking Chengdu with cities in Yunnan, Tibet, Guizhou and other parts of China. The expansion of the airport will also serve as a prelude to opening direct routes to Hong Kong and foreign countries. The expansion project began earlier in April. Its completion is a week ahead of schedule. [Text] [Beijing XINHUA in English 0731 GMT 25 Sep 83]

TIANJIN HIGHWAY CONSTRUCTION--There are 111 highways throughout Tianjin Municipality, which are under construction by suburban villages and townships who are financially supported by the municipal people's government. So far they have made great progress in their construction. The 30 percent of these highways that have a total length of 120 kilometers have been laid with asphalt surface. After the fulfillment of these projects, there will be more than 300 rural villages that are benefited by the highways.  
[Excerpt] [Tianjin TIANJIN RIBAO in Chinese 17 Sep 83 p 1]

GUIZHOU RAILROAD ELECTRIFICATION GROUP--The provincial government has made a decision to set up a provincial railroad electrification leadership group. Provincial Vice Governor Zhou Yansong has been appointed as the head of the group. Appointed as deputy heads are (Du Ke), former vice minister of railroad; (Wang Peixun), vice director of the provincial Planning Commission; and (Qin Baozhen), deputy chief of the provincial department of environmental protection of urban and rural construction. [Summary] [HK171450 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Oct 83]

GUANGZHOU RAILWAY BUREAU PROFIT--The Guangzhou Railway Bureau made a profit of some 170 million yuan from January to September, accounting for 103.8 percent of the annual quota and representing an increase of 40.6 percent compared with the same period last year. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 11 Oct 83]

NEI MONGGOL HIGHWAY BRIDGE--The 810-meter-long Grand Baotou Huang He Highway Bridge, the biggest highway bridge in the western part of the Nei Monggol Autonomous Region, has been successfully completed and opened to traffic. The regional people's government held the completion and opening ceremony in Baotou City on 19 October. Attending the ceremony were leading comrades of the regional people's congress, the people's government and the CPPCC committee, including Chao-luo-meng, Liu Zuohui, Han Ming and (Ma Zhenduo). Liu Zuohui, vice chairman of the regional people's government, spoke at the ceremony.  
[Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 20 Oct 83 SK]

CSO: 4006/059

GENERAL

BEIJING DEVELOPS DOMESTIC INSURANCE COVERAGE

OW120522 Beijing XINHUA in English 0144 GMT 12 Oct 83

[Text] Beijing, 12 October (XINHUA)--Premiums paid to the Beijing branch of the People's Insurance Company of China in the first 9 months of 1983 amounted to 16.57 million yuan, roughly the same as in the whole year of 1982, Yan Kewen, deputy director of the branch said today.

"Insurance in Beijing has developed more rapidly than we expected, in keeping with the rising economy," Yan said.

From January to September, 2,791 enterprises, about 40 percent of the city's total, and 27,480 households have insured property. Total number of policy holders is 30,271, an increase of 14,000 over 1982.

The branch has set up 19 sub-branches and over 400 offices in the city's 19 districts and counties, offering 15 classes of domestic insurance.

Domestic insurance was available in the Chinese capital shortly after the founding of the people's republic in 1949, but was suspended at the end of 1958. Property insurance, mainly for enterprises, resumed in July 1980.

In 1982, premiums paid to the branch came to 17.95 million yuan, 61.5 percent more than 1981. Value of property insured amounted to 10,910 million yuan, an increase of 88 percent over the previous year.

This year, the branch offered five new classes of insurance: cargo transportation, personal accident, threshing-floor fire, livestock and poultry and simple life.

Three hundred and sixty production brigades in the city's suburbs took out threshing-floor fire insurance. The value of the crop insured was 13 million yuan.

"We have enlarged our service from urban industrial enterprises and families to the rural areas. The countryside offers great prospects for future business," Yan Kewen said. In the first 9 months of this year, the branch paid claims amounting to 4.87 million yuan to 731 property owners. This was 2.34 million yuan more than last year.

CSO: 4020/017

## HONG KONG ECONOMIC TRENDS

### LATEST 1997 TALKS FAIL TO 'IGNITE' STOCK MARKET

HK210148 Hong Kong SOUTH CHINA MORNING POST in English 21 Oct 83 Business News p 1

[Excerpt] The statement that the latest round of 1997 talks had been "useful and constructive" failed to ignite the local stock market, analysts said.

The communique on the talks did help lift shares off their afternoon lows, but the Hang Seng index still finished down 4.23 points, at 790.11.

Analysts said the announcement was in line with what traders had been expecting, and had already been discounted in the market's rise in recent days.

Summing up sentiment, one analyst said the communique was "mildly positive, but it's no great shakes." Other endorsements included "better than last time," and "better than nothing."

Despite the view that the communique would not send stocks soaring, there was the hope that the relatively positive atmosphere of the latest talks and the apparent success of the government effort to stabilise the Hong Kong dollar would make "things return to normal."

By that, analysts said, they hoped the dollar and 1997--at least until the next round of negotiations--could take a back seat to individual company standing, and such general economic fundamentals as Hong Kong's export position, manufacturing output, and the state of the property market.

The dollar held around the "linked" level yesterday, while overnight interest rates moved down from the highs of Wednesday, easing fears that a rise in the prime rate could be imminent.

"The support package seems to be successfully working through the system," said one analyst.

Such positive factors failed to prevent a market drop yesterday largely because of profit-taking. In a strong morning session, the Hang Seng index had penetrated the 800 level, to 801.99 [word and number indistinct].

The move beyond 800 was a technical signal to many traders to take profits, given the more than 100-point rise since 4 October.

Adding to the incentive for cautious speculators to take profits was the impending communique, since it was impossible to be certain of what it might say.

Overseas and local interest was present, but total turnover was a relatively light \$162.87 millions.

CSO: 4020/018

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